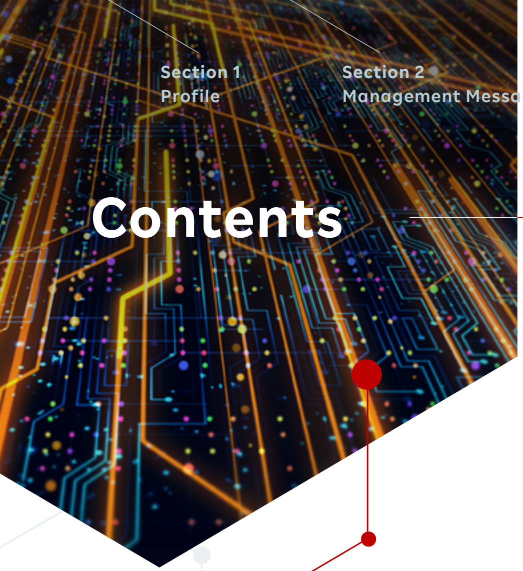
Rakuten

Rakuten Driven by Innovation

Integrated Report 2024



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EDITORIAL POLICY

The Rakuten Integrated Report 2024 contains both financial data and information about environmental, social and governance (ESG) initiatives. Nonfinancial information includes the history of our growth, our value creation processes and initiatives in various business areas. This report was created with the aim of providing stakeholders with a fuller understanding of our business activities and the value provided by the Rakuten Group.

<Target audience> Stakeholders, including shareholders and investors.

<Period covered by the report> This report covers the 2024 fiscal year (January 1, 2024–December 31, 2024), but it also includes references to activities in FY2025.

Section 1

PROFILE

The Rakuten Group currently serves approximately 1.9 billion users worldwide through more than 70 services based in 30 countries and regions. Learn about our business areas, history, and business model.

Rakuten
一致団結
信念不抜
用意周到
品性高潔
大義名分
Solidarity: Succeed as a Team
Complete Commitment: Get Things Done
Prepare to Succeed: Professionalism

Rakuten Group At a Glance

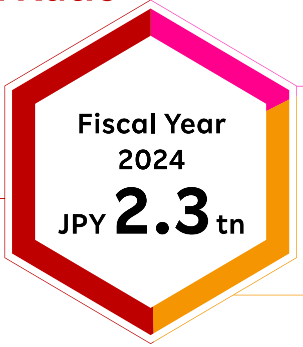
Rakuten in Numbers

Founding	1997
Number of Employees*2	29,334
Revenue	JPY 2.3 tn
Ratio of Foreign Employees	23.6%
Overseas Revenue Ratio	17.1%
Ratio of Female Managers	32.7%
IFRS Operating Income	JPY 53.0 bn
Capital Expenditure	JPY 257.0 bn
EBITDA*1	JPY 326.0 bn
Research and Development Expenses	JPY 17.1 bn

[1] Calculated by adding depreciation and amortization expenses, etc. to Non-GAAP operating income. We believe that EBITDA is a useful indicator for evaluating the cash flow generation ability of the Rakuten Group's business activities.

[2] Number of employees does not include those serving concurrently as employees and Directors, temporary staff and part-time employees.

Revenue Composition Ratio*3



Internet Services
JPY 1.3 tn 50.4%

Mobile
17.3% JPY 440.7 bn

FinTech
32.3% JPY 820.4 bn

*3 Excluding adjustments

Main Services

Internet Services Segment

Internet Services
- Rakuten (Rakuten Ichiba)
- Rakuten Travel
- Rakuten Rakuma
- Rakuten GORA
- Rakuten Fashion
- Rakuten ブックス (Rakuten Books)
- Rakuten Rebates

Overseas Businesses
- Rakuten (Rakuten Rewards)
- Rakuten kobo
- Rakuten Viber
- Rakuten Advertising
- Rakuten Viki
- Rakuten TV

FinTech Segment

Payment
- Rakuten Card
- R Pay
- R POINT
- R Edy

Banking
- Rakuten Bank

Securities
- Rakuten Securities
- Rakuten Wallet

Insurance
- Rakuten 楽天生命 (Rakuten Life Insurance)
- Rakuten 楽天損保 (Rakuten General Insurance)

Mobile Segment

Mobile
- Rakuten Mobile
- Rakuten Symphony

Why Rakuten was Founded

Before the concept of "Rakuten Ichiba"* was born, Hiroshi Mikitani established four hypotheses:

"The internet would become simpler and more convenient."

"The internet would experience explosive growth."

"Japanese would embrace online shopping."

"The internet would revolutionize distribution."

Back then, dial-up connections via telephone lines accounted for 94% of internet access in Japan. Communication speeds were incredibly slow, and many people doubted these hypotheses, although they seem obvious today. Despite this, the founding team had unwavering faith in the internet's potential. They were driven by a passion to empower local shops and small business without large physical stores, enabling them to participate on a level playing field with major corporations operating nationwide. To recruit merchants who shared their vision to launch stores on Rakuten Ichiba, they traveled extensively throughout Japan. (Rakuten Ichiba launched with just 13 stores.)
Twenty-eight years have passed since Rakuten's founding, and the company now offers a wide range of services beyond Rakuten Ichiba. However, the original beliefs and aspirations that fueled the company's creation remain deeply ingrained in its culture. With this continued passion and a commitment to innovation, Rakuten strives to deliver exceptional services that enrich the lives of its customers.

*The name "Rakuten Ichiba" reflects the service's core concept. It combines the word "Rakuten," meaning optimism and positivity, with "Ichiba" (market), evoking the vibrant "Rakuichi-Rakuza" (free markets) economic policy initiated by Oda Nobunaga, which fostered open commerce for all.

MISSION

Rakuten Group's mission is to contribute to society by creating value through innovation and entrepreneurship

Empowering people to realize their hopes and dreams, Embracing new thinking,
Rakuten changes the world through innovation.

VISION

Global Innovation Company

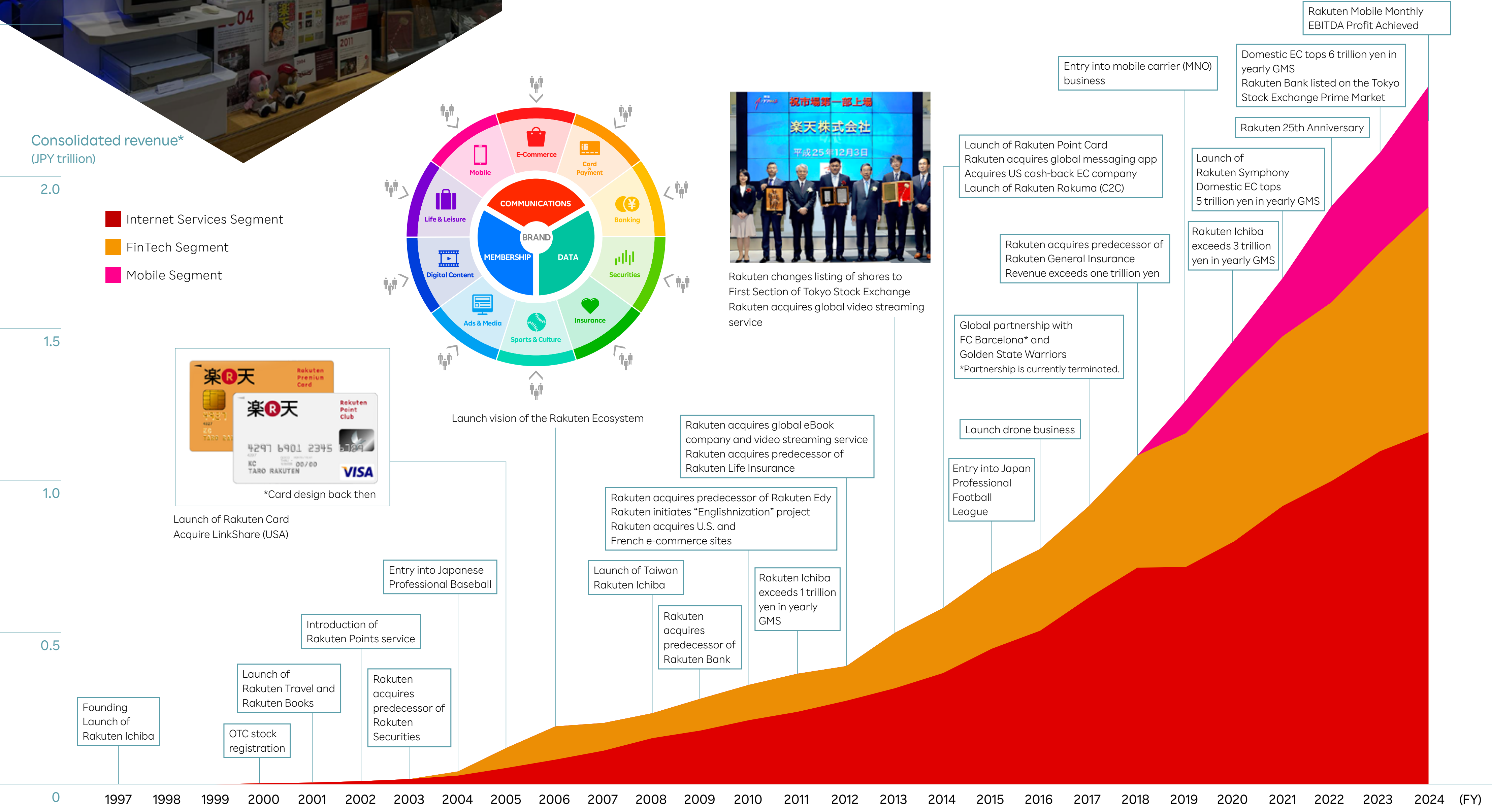
At Rakuten, we drive disruptive innovation, Engaging knowledge, creativity and passion from around the world to achieve ambitious goals and help build communities in which people can pursue their dreams and live in happiness.

VALUES AND PRINCIPLES

Rakuten Shugi (Rakuten Basic Principles)

The core values of the Rakuten Group, along with the values and principles understood and practiced by Rakuten employees, embody Rakuten Shugi.
The two components it consists of are the Brand Concepts and Five Principles for Success.
With Rakuten Shugi as a common foundation, we place high value on the entrepreneurial spirit that drives us to get things done. By working with local communities and nurturing a robust corporate culture enabling each member of our diverse team to perform at their best, the Rakuten Group is committed to boosting corporate value and contributing to progress in society.

Rakuten's History



Founding
Launch of Rakuten Ichiba

OTC stock registration

Launch of Rakuten Travel and Rakuten Books

Introduction of Rakuten Points service

Rakuten acquires predecessor of Rakuten Securities

Entry into Japanese Professional Baseball

*Card design back then

Launch of Rakuten Card
Acquire LinkShare (USA)

Launch vision of the Rakuten Ecosystem

Launch of Taiwan Rakuten Ichiba

Rakuten acquires predecessor of Rakuten Bank

Rakuten acquires predecessor of Rakuten Edy
Rakuten initiates “Englishnization” project
Rakuten acquires U.S. and French e-commerce sites

Rakuten Ichiba exceeds 1 trillion yen in yearly GMS

Rakuten acquires global eBook company and video streaming service
Rakuten acquires predecessor of Rakuten Life Insurance

Rakuten changes listing of shares to First Section of Tokyo Stock Exchange
Rakuten acquires global video streaming service

Launch of Rakuten Point Card
Rakuten acquires global messaging app
Acquires US cash-back EC company
Launch of Rakuten Rakuma (C2C)

Entry into Japan Professional Football League

Launch drone business

Global partnership with FC Barcelona* and Golden State Warriors
*Partnership is currently terminated.

Rakuten acquires predecessor of Rakuten General Insurance
Revenue exceeds one trillion yen

Entry into mobile carrier (MNO) business

Rakuten Ichiba exceeds 3 trillion yen in yearly GMS

Launch of Rakuten Symphony
Domestic EC tops 5 trillion yen in yearly GMS

Rakuten 25th Anniversary

Domestic EC tops 6 trillion yen in yearly GMS
Rakuten Bank listed on the Tokyo Stock Exchange Prime Market

Rakuten Mobile Monthly EBITDA Profit Achieved

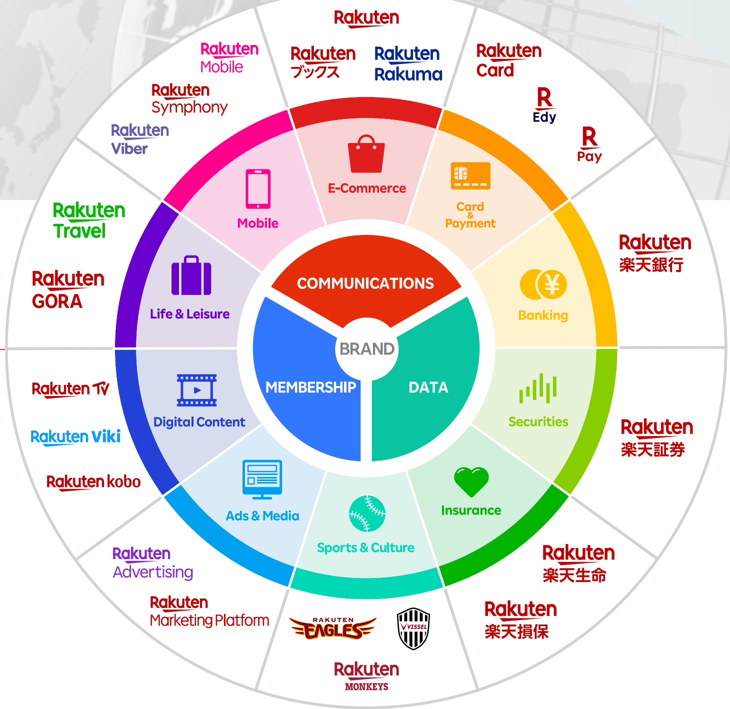
JPY 2.3 tn
(+10.0% YoY)

*Before 2011, IFRS had not yet been adopted. Financial results were based on J-GAAP

Business Model

Rakuten Ecosystem

Using Multiple Ecosystem Services Through a Unified Rakuten ID

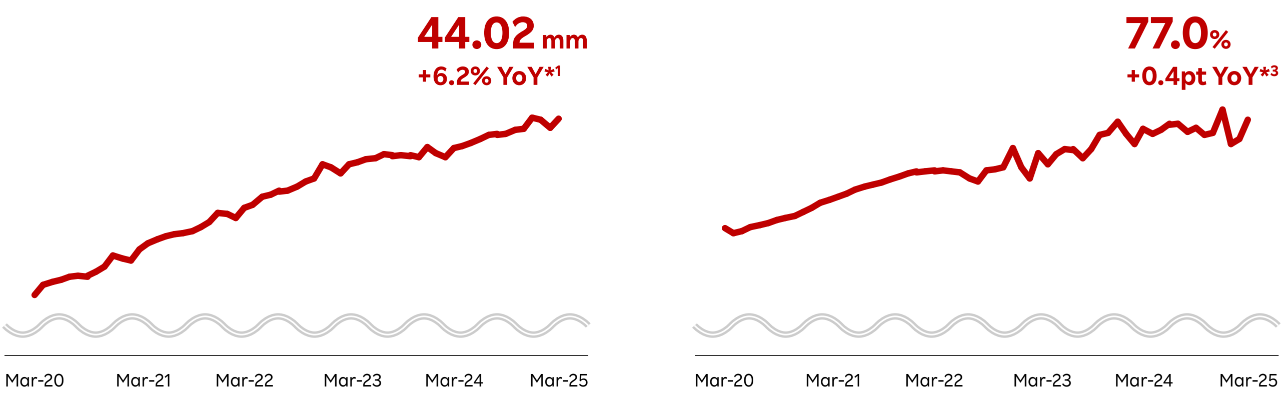

COMMUNICATIONS
BRAND
MEMBERSHIP
DATA
E-Commerce
Card & Payment
Banking
Securities
Insurance
Sports & Culture
Ads & Media
Digital Content
Life & Leisure
Mobile
Rakuten
Rakuten ブックス
Rakuten Rakuma
Rakuten Card
R Edy
R Pay
Rakuten 楽天銀行
Rakuten 楽天証券
Rakuten 楽天生命
Rakuten 楽天損保
Rakuten MONKEYS
RAKUTEN EAGLES
VISSEL
Rakuten Marketing Platform
Rakuten Advertising
Rakuten kobo
Rakuten Viki
Rakuten TV
Rakuten GORA
Rakuten Travel
Rakuten Viber
Rakuten Symphony
Rakuten Mobile

The Rakuten Group operates over 70 different services in a wide range of areas, including online services such as e-commerce, travel reservations and digital content; FinTech services such as credit card, banking, securities, mobile payments and insurance; as well as mobile services such as our mobile phone carrier business. In addition to using the same ID for multiple services within the Ecosystem, Rakuten members can earn and use Rakuten Points when shopping or enjoying these services. We have improved brand recognition and reputation by unifying all our services in Japan and abroad under the Rakuten brand. Another of Rakuten's strengths is our ability to leverage data from online and offline realms, such as high precision consumption and payment data, allowing us to carry out effective customer acquisition and marketing strategies.

Growing Our Active User Base and Cross-Use Rate

2024 was another year of steady growth for our active user base, something we achieved through continual improvements to user convenience. We also succeeded in growing cross-use within the Ecosystem by introducing new Rakuten Mobile subscribers to other services.

Number of Monthly Active Users and Ratio of Users of Two or More Services


Monthly Active User Growth in Japan

Ratio of Users of Two or More Services[*2]

[*1] Comparison of monthly active users in March 2025 versus March 2024.

[*2] Percentage calculated by dividing the number of users of two or more services in the past 12 months by the number of users of all services in the past 12 months. (As of the end of March 2025. Limited to the use of services that can earn Rakuten Points.)

[*3] Comparison of monthly use ratio in March 2025 versus March 2024.

Membership Value

The Rakuten Group employs a special index called membership value to measure our corporate value.

The Rakuten Ecosystem unites our diverse portfolio of businesses and with approximately 2.0 billion members worldwide and over 100 million in Japan – our membership is our biggest strength. The foundation of our profit model lies in leveraging our loyalty point program that incentivizes the use of multiple Ecosystem services to maximize lifetime value (LTV) per user and minimize customer acquisition cost (CAC). The Rakuten Ecosystem enjoys overwhelming support among our users because we can keep CAC costs low and direct these savings to provide generous point incentives.

Membership value allows us to calculate the corporate value this unique model produces based on our users. It is a product of active users multiplied by cross-use LTV – CAC, where ARPU and retention rate are included in LTV.

We grow membership value by maximizing the LTV of each user across each of our businesses, ensuring maximum profitability through low CAC and encouraging cross-use of multiple services.

In the fourth quarter of 2024, membership value reached 9.6 trillion yen, a +4.3% increase year-over-year. This continued growth trend is driven by factors such as the increasing user base of services like "Rakuten Bank" and improved productivity in key businesses such as "Rakuten Ichiba" and "Rakuten 24." We will continue working towards our target of ¥10 trillion in membership value by maximizing LTV, growing active user numbers and promoting cross-use.

Components of Membership Value

Membership Value*1 = Active users × Cross-use × LTV*2 — CAC

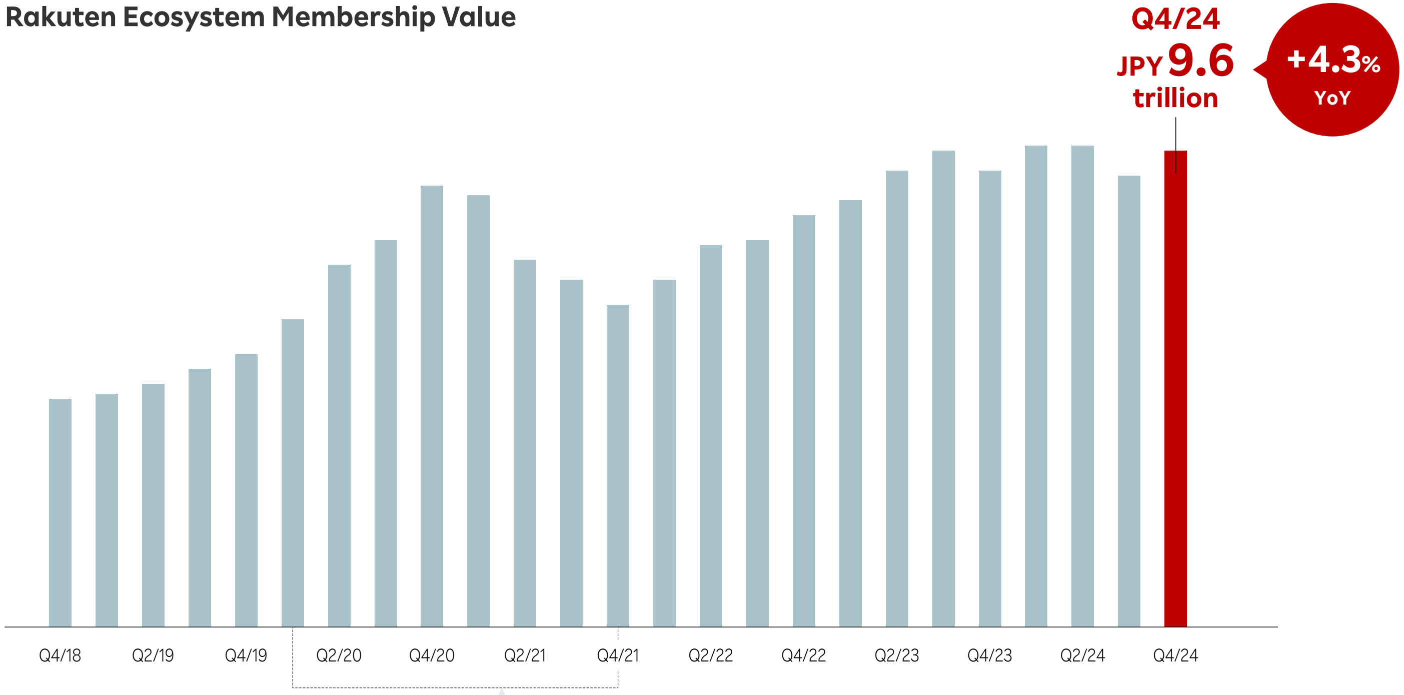
*1 Calculated by Rakuten Group

*2 LTV=Abbreviation for Lifetime Value. LTV = Σ (ARPU x Profit Rate*3xRetention) ÷ (1 + Discount)$^{K-1}$ ①K is Projection Years ②ARPU=Revenue/YAU

*3 Profit Rate = {(Revenue x Marginal profit ratio) - Retention cost*4}÷ Revenue ①Marginal profit cost = Revenue (cost of revenue, commissions, etc.)

*4 Retention cost = Marketing costs - Customer acquisition cost ①Marketing cost = Advertising cost + Promotion cost + Point cost ②Customer acquisition cost = Marketing cost prorated to new users

Rakuten Ecosystem Membership Value



Accelerated growth and subsequent decline over the period of Q1/20 to Q4/21 was a temporary effect of the Pandemic.

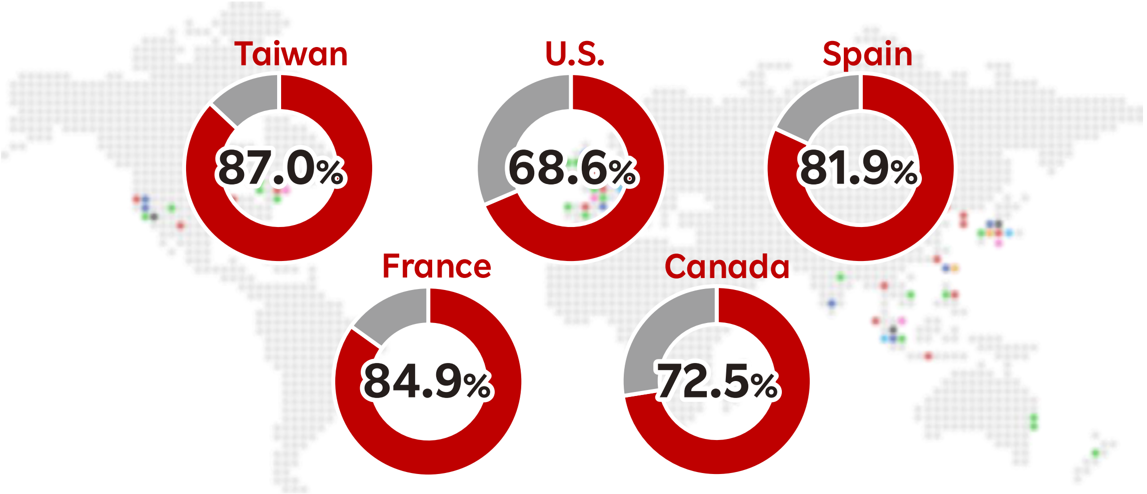
Rakuten's Strengths

1 Strong Brand

Rakuten employs a one-brand strategy centered on the Rakuten brand, making the logos and names of its over 70 group services more familiar both domestically and internationally. In Japan, the logo recognition rate exceeds 94.7%*.

*As of 2024. Based on internal research. Sample size: 3,000 individuals aged 20-69. Survey period: October 7, 2024 - October 20, 2024. Percentage of respondents who selected "I have seen it" or "I think I have seen it" when presented with the logo.

Global Recognition*



*Rakuten survey, January 2025

2 English as the Official Company Language

Rakuten has adopted English as its official company language to facilitate smooth communication among group employees in Japan and overseas, help employees quickly grasp the latest global information, and create a competitive, united organization by attracting talented individuals from around the world. Five years after the transition began in 2010, the company achieved its target average TOEIC score of 800 in 2015. With the recent surge in demand for AI and the increasing importance of securing engineering talent, this initiative enables access to a wealth of global talent.

3 AI & Data

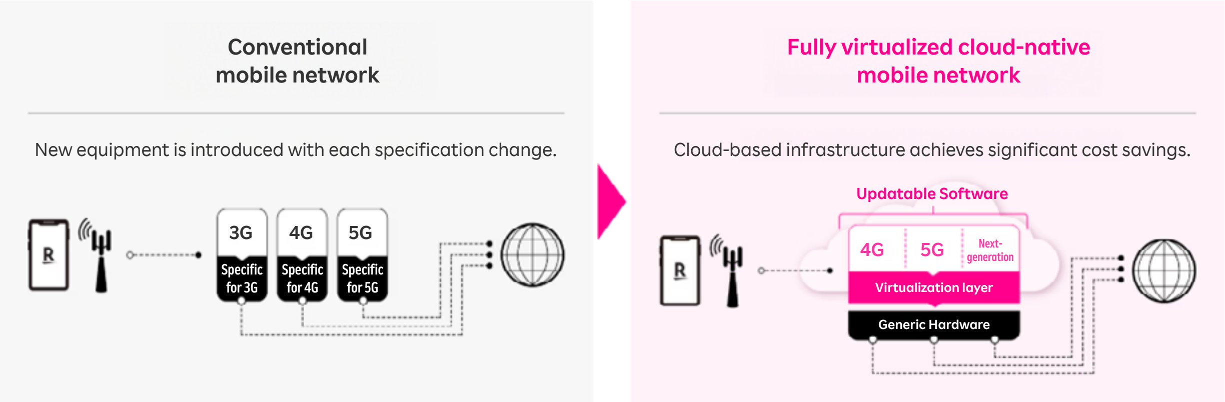
P.37

Rakuten is promoting the further utilization of AI and has set a "Triple 20" goal to improve marketing efficiency, operational efficiency, and client efficiency by 20% each. Over 100 million Rakuten IDs are linked to a rich set of data from services including shopping, travel, banking, securities, credit cards and mobile. The company ensures both the quality and quantity of data, which are crucial for AI development. Rakuten is collaborating with OpenAI as a strategic partner in delivering state-of-the-art AI experiences to consumers and businesses in Japan and worldwide.

4 Structural Cost Advantages of Rakuten Mobile

Rakuten Mobile built one of the world's first fully virtualized, cloud-native mobile networks using Open RAN architecture. In conventional networks, the infrastructure is typically built by deploying dedicated hardware and integrated software. Rakuten Mobile, on the other hand, introduced virtualization technology, replacing hardware functions with software throughout the entire network. This enables network automation and significantly reduces operating costs. Moreover, when updates to the network are needed (e.g., 4G to 5G) – which is a challenge with conventional mobile network infrastructure – Rakuten Mobile can simply update the network software with no need for costly hardware changes, thereby reducing capital investment.

Rakuten Mobile's virtualized technology



Conventional mobile network

New equipment is introduced with each specification change.

Fully virtualized cloud-native mobile network

Cloud-based infrastructure achieves significant cost savings.

5 Entrepreneurship & Driving Results

Rakuten currently has approximately 30,000 employees, and since its founding, the company has fostered entrepreneurship among all employees, encouraging them to create new businesses themselves. Rakuten recognizes that the ability to *get things done* is crucial for creating innovative services and achieving sustainable growth. To this end, Rakuten has established various mechanisms, such as setting KPIs for each department, rapidly carrying out PDCA, and deploying successful use cases to other departments, to realize an organization that delivers results.

Column

Rakuten Points are the Core of the Rakuten Ecosystem

Rakuten Points, launched in 2002, have had a significant impact on the way point programs are structured in Japan. As the term "Poi-katsu" (point collecting) has become more prevalent, points have become an integral part of daily life for many people. Rakuten Points have surpassed 4 trillion points issued cumulatively*[1]. They have also been selected as the No. 1 "Point Program where customers earned the most points last year," "Point Program customers are most happy to receive," and "Overall Point Satisfaction"*[2].

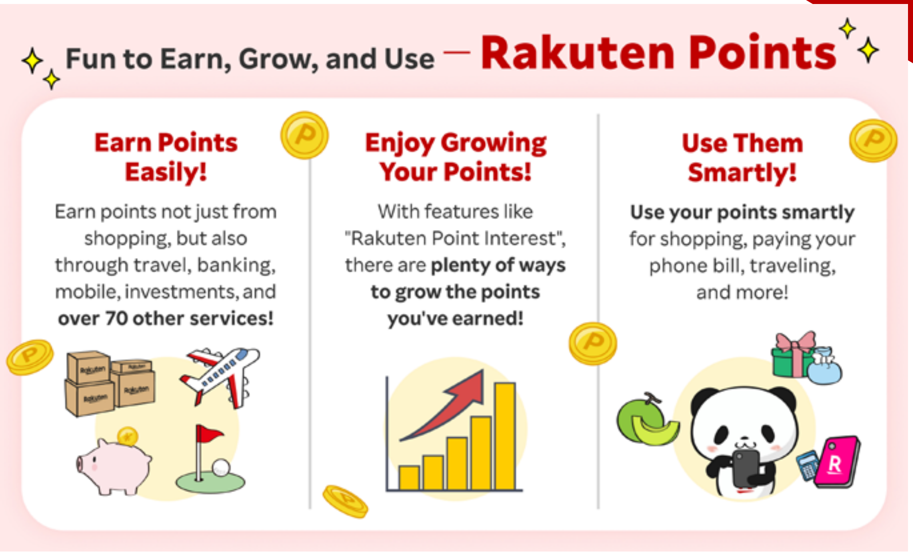
Over 10 Million Members Earned 100,000 Points: Providing Programs That Make It Earn easily

Rakuten Points are awarded for every 100 yen (excluding tax) spent on various services such as Rakuten Ichiba, Rakuten Card, and Rakuten Mobile. Rakuten also offers various programs that make it easy to earn points. For example, with SPU (Super Point Up Program), the point rate for purchases on Rakuten Ichiba can increase up to 18x (as of April 1, 2025). Notably, Rakuten Mobile Saikyo Plan subscribers can increase their point rate to 4x every day via the SPU program. In addition to SPU, Rakuten is implementing various measures, such as campaigns that increase the number of points customers receive based on the number of stores shopped at on Rakuten Ichiba during the campaign period. To date, over 10 million members have earned 100,000 points or more, and over 290,000 members have earned 1 million points or more*[3].

Points: From "Saving" and "Using" to "Growing"

In recent years, Rakuten has been focusing on services that allow users to "grow" their Rakuten Points, and the number of users is increasing. Currently, Rakuten offers Rakuten Point Interest, which pays an annual interest rate of 0.108% simply for depositing points; Point Investment by Rakuten PointClub, which allows users to experience investing linked to the standard price of investment trusts; Point Bitcoin by Rakuten PointClub, where points increase or decrease in line with fluctuations in Bitcoin trading prices; and Point Rakuten Stock, where points fluctuate in line with the stock price of Rakuten Group. Rakuten Securities also allows users to make actual investments using their Rakuten Points.

Rakuten Points are used by many people due to their versatility. By creating a Rakuten ID, users can earn points, which serve as an entry point to the Rakuten Ecosystem. Furthermore, by encouraging the use of other group services, Rakuten improves the circulation and cross-use of services centered on Rakuten Points. This mechanism creates synergies which minimize customer acquisition costs, maximize the lifetime value of each member, and increase the total transaction value of the Rakuten Group, further enhancing the Rakuten Group's overall competitiveness.



Fun to Earn, Grow, and Use — Rakuten Points

Earn Points Easily!

Earn points not just from shopping, but also through travel, banking, mobile, investments, and **over 70 other services!**

Enjoy Growing Your Points!

With features like "Rakuten Point Interest", there are **plenty of ways to grow the points you've earned!**

Use Them Smartly!

Use your points smartly for shopping, paying your phone bill, traveling, and more!

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*1 As of Dec 31, 2024.
*2 Survey on points, valid responses = 1,000, Internet survey, November 2022, conducted by MyVoice Communications.
*3 Cumulative points earned from November 1, 2002 to January 31, 2024.

Section 2

MANAGEMENT MESSAGE

Since we founded Rakuten in 1997, we have been guided by the power of innovation. We believe that we can make the future better by what we do today with the right mindset.

Rakuten
Rakuten
Rakuten
Rakuten

CEO Message

Mobile, Global Expansion and AI: Driving Sustainable Growth and Financial Returns

Hiroshi Mikitani
Chairman and CEO

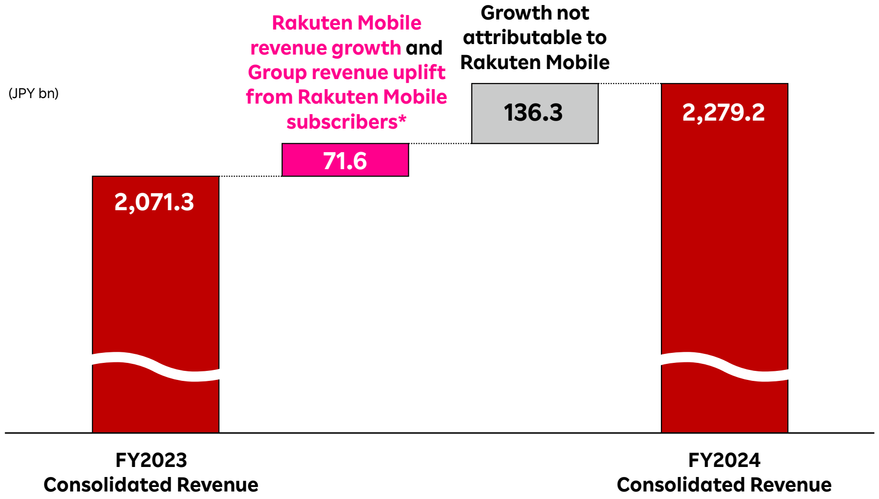
Achieving Two Types of Profit in 2024

In 2024, the Rakuten Group achieved two significant milestones. One was achieving full-year consolidated Non-GAAP operating profit, and the other was achieving a monthly EBITDA*[1]-based profit for Rakuten Mobile, Inc. It has been exactly five years since we began the full-scale buildout of our mobile business in 2019. Although it was a very challenging project, we have successfully gotten the business on track for growth.

The mobile carrier industry is a capital-intensive sector that requires large-scale capital investment. However, once the break-even point is surpassed, it generates stable cash flow over the long term. As Japan's newest and most modern mobile network, Rakuten Mobile has incorporated fully virtualized technology into its network, which is a fundamentally different approach from legacy operators. This enables automation and remote control across many parts of the network, significantly reducing operating expenses and future capital investment costs, giving us a long-term cost advantage.

Expanding the Rakuten Ecosystem with Rakuten Mobile at Its Core

In 2024, the Group's consolidated revenue reached 2.3 trillion yen (an increase of 10.0% year-on-year) and achieved revenue growth for the 28th consecutive year. Our calculations show that 34.4% of this annual revenue growth is attributable to Rakuten Mobile. This is not only due to increasing Rakuten Mobile subscribers or rising ARPU, but also to the significant expansion of Rakuten Mobile's contribution to services across the Rakuten Ecosystem.



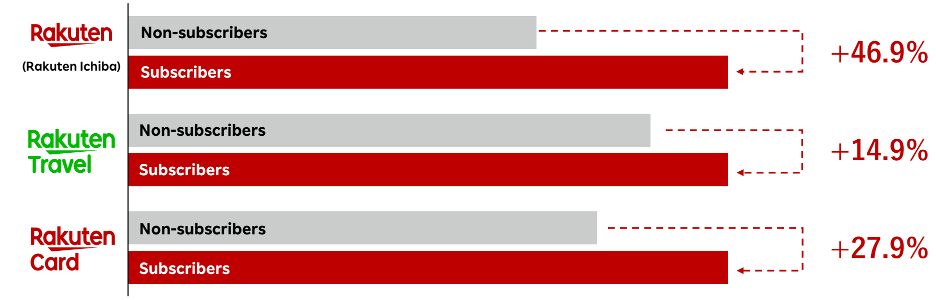
*Uplift for each month is calculated using one of the following methods, depending on the characteristics of each business of the Group. The calculated result is multiplied by the number of MNO B2C subscribers.
(a) Difference in average monthly revenue per subscriber for each month in the most recent year for each business of the Group when comparing Rakuten Mobile MNO B2C subscribers and non-subscribers.
(b) Difference in annual utilization rate for each business when comparing Rakuten Mobile MNO B2C subscribers and non-subscribers x average monthly revenue per subscriber for each business in the most recent year.

CEO Message

For example, data shows that the average annual Gross Merchandise Sales (GMS) on Rakuten Ichiba, our online marketplace business, for customers after subscribing to Rakuten Mobile increases by nearly 50% compared to non-subscribers. In Rakuten Travel, we see an increase of approximately 15%, and in Rakuten Card, transaction value increases by about 30%. In addition, subscribing to Rakuten Mobile promotes cross-use within the ecosystem. Similarly, Rakuten Mobile subscribers use an average of approximately 3.17 new services over two years, compared to 2.43 new services for non-subscribers, indicating they are utilizing a greater number of Rakuten services.

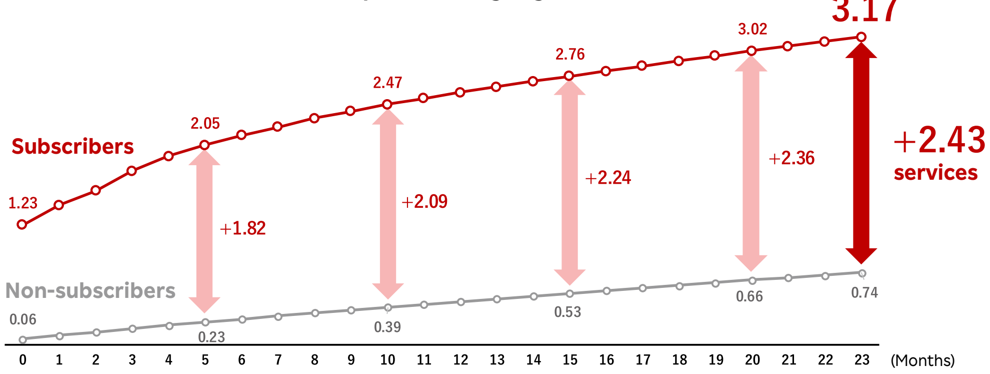
While Rakuten Mobile itself is growing as a standalone business, the more subscribers Rakuten Mobile gains, the more Group services are used, and the Rakuten Ecosystem expands even more. In the future, we aim to expand this synergy not only in Rakuten Ichiba and Rakuten Card, but also in fields such as advertising.

Comparison of total GTV for each service over the past year between Rakuten Mobile subscribers and non-subscribers with similar purchasing patterns before becoming Mobile subscribers*



* Difference in average GTV per person over the past year between Rakuten Mobile subscribers and non-subscribers (Shopping GTV for Rakuten Card). The scale of each graph is uniform. Subscribers are users who signed up for Rakuten Mobile (MNO B2C) in any month between March 2020 and January 2024 (the relevant month), had an active line between January 2024 and December 2024, and whose purchasing trends over the preceding year from the relevant month are the same as those of non-subscribers. Non-subscribers are users who have used any Rakuten service other than Rakuten Mobile (MNO B2C) between December 2024 and the past year, and whose purchasing trends over the preceding year from that month are the same as those of subscribers.

Rakuten Mobile (MNO B2C): Changes in service usage by subscribers and non-subscribers over two years since signing a contract*



*Subscribers with a contract (MNO B2C) from March 2020 to January 2023. Non-subscribers have used another Rakuten service during the same period. Number of subscribers' services used includes MNO itself.

Rakuten Group as an AI Powerhouse

Throughout our Group, we have been promoting the utilization of AI in various areas. AI is evolving from predictive AI, which developed around 2000, to general-purpose AI, called generative AI, which emerged around 2022, and now towards agentic AI. AI agents are expected to perform personal assistant tasks such as recommendations and research, as well as appointment scheduling and shopping on behalf of users. I also believe the news of DeepSeek's gen AI breakthrough in early 2025 is still fresh in our minds. The Chinese startup announced its AI model is lower cost with higher performance than previous models.

In the rapidly evolving AI industry, Rakuten's strategy is not to invest massive amounts of resources in developing all-encompassing general-purpose large language models (LLMs). Instead, while leveraging general-purpose AI, we are focusing on developing AI tailored for the Rakuten Ecosystem by maximizing the use of data from our various businesses, including e-commerce, FinTech, and mobile. Rakuten's fundamental AI strategy is to create high efficiency and performance through hybrid LLMs and vertically integrated, specialized AI.

Based on this fundamental strategy, we have been executing the Triple 20 project since 2024. This project aims to increase marketing efficiency, operational efficiency for clients by

Triple 20

Marketing productivity +20%

Operational productivity +20%

Productivity for clients +20%

16,000+

Custom AIs in Rakuten AI for Rakutenians

- Coding
- Content creation
- Data analysis
- Document creation
- Creative design
- CRM
- Customer support
- Knowledge retrieval
- Sales support
- Learning and development
- Translation
- Meeting notes

20% through the use of AI. In 2024, the use of AI across the group contributed approximately 10.5 billion yen in operating profit. Currently, Rakuten has approximately 30,000 employees, all of whom have access to a generative AI tool called "Rakuten AI for Rakutenians." The quality of the output of current generative AI can be dramatically improved by setting conditions reference data according to one's own use cases. Employees have already created over 16,000 custom AI templates with Rakuten AI for Rakutenians, demonstrating its effectiveness in a wide range of areas such as advertising, coding, customer support and sales support. Furthermore, we have adapted this AI tool to be used by other companies as well and started offering it as "Rakuten AI for Business" in January 2025. Expanding on this momentum, we are confident we can become an AI leader by aggressively implementing AI in our own workflows.

Expanding our Global Business

Expanding our global business is another important element in expanding the Rakuten Ecosystem. Unfortunately, with the population of Japan declining year by year, developing markets globally is extremely important for achieving long-term and sustainable growth.

Rakuten's global strategy can be broadly divided into two categories. One is development centered on our Group services that form the Rakuten Ecosystem. The other is centered on our global platform, Rakuten Symphony.

For the former, we aim to link services such as Rakuten Rewards, Rakuten Viber, Rakuten Kobo and Rakuten Viki. In 2024, we expanded our customer base for each service, generating approximately 14 billion yen in profit from these four services. As a next step, we would like to develop Rakuten's membership business overseas and promote and expand cross-use. This can be achieved by focusing on points or cashback programs, as well as by providing excellent UX through AI specialized for the Rakuten Ecosystem as mentioned above.

Rakuten
(Rakuten Rewards)

GMS
FY2024
+1.9%
YoY
USD 12.25 bn

Rakuten TV

Total Users*
(As of the end of Dec/24)
+41.2%
YoY
132.5 mm

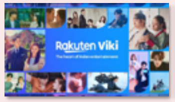
Rakuten kobo

Registered Users
(As of the end of Dec/24)
+7.1%
YoY
69.3 mm

Rakuten Viber

Registered Users
(As of the end of Dec/24)
+4.9%
YoY
1.57 bn

Rakuten Viki



Registered Users
(As of the end of Dec/24)
+20.2%
YoY
99.2 mm

*Total number of registered users and non-registered AVOD (Advertising Video On Demand) users.

For the latter, we are promoting the spread of Open RAN solutions, which support the cost advantage of Rakuten Mobile. Rakuten is the first company in the world*2 to commercialize end-to-end, fully virtualized, cloud-native mobile network technology. In the conventional telecom industry, it was common to purchase and implement packaged solutions from specific vendors. Open RAN is a technology that opens up these specifications and enables the interconnection of equipment from different vendors. As a leading company in the industry, we will promote this while developing Symphony as a platform operator that provides a range of solutions that make up the network. We're aiming to provide not only Open RAN solutions, but also the high-tech cloud technology that makes it work. In addition, we can offer Rakuten Ecosystem features, such as membership systems and point programs to support consumer services development, to third parties.

Accelerating Innovation: One Team Globally

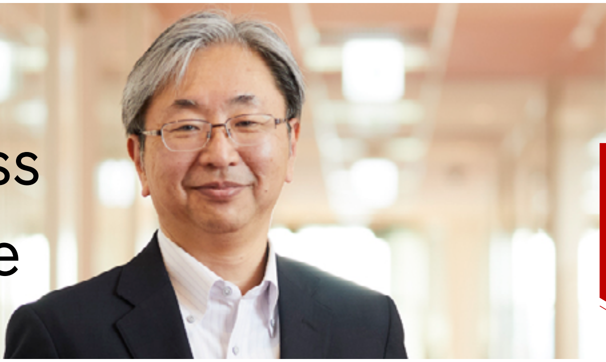
Since our founding in 1997, we have launched various services such as Rakuten Ichiba, Rakuten Travel, Rakuten Card, Rakuten Bank and Rakuten Securities, under the business model of the Rakuten Ecosystem. These services have grown into some of the largest e-commerce and FinTech services in Japan. Going forward, we are confident that the Rakuten Ecosystem will evolve further through these three elements: mobile, AI and global expansion. The most important thing in realizing these innovations is the talented employees at Rakuten. Since the company-wide adoption of English as our official language in 2012, talented personnel have gathered not only from Japan but also from various countries and regions around the world. Through our shared language – English – we continue to create innovation in unison even with approximately 30,000 employees, without losing the sense of speed we had when Rakuten was first founded.

Rakuten's mission is to empower people and society through innovation, and our vision is to be a global innovation company. With all of our employees working together as one team, we will continue to take on new challenges and achieve our mission and vision.

*1 Non-GAAP EBITDA = Non-GAAP operating income + depreciation and amortization, etc.
*2 For a large scale commercial mobile network (as of October 1, 2019). Research: Stella Associa

CFO Message

Maintaining Both Financial Soundness and Improving Business Performance



Kenji Hirose

Director and Group Executive Vice President
CFO (Chief Financial Officer)

Q How was Rakuten's performance in FY2024, and what is the outlook for FY2025?

In 2024, we increased revenue and profit across all segments, continuing the trend from the previous year. Revenue grew by 10.0% year-on-year (YoY) to ¥2,279.2 billion. Non-GAAP operating income improved by ¥160.1 billion YoY to ¥7.0 billion, and IFRS operating income improved by ¥265.8 billion to ¥53.0 billion, resulting in a full-year operating income surplus for the first time in five years. In addition, in December 2024, Rakuten Mobile, Inc. achieved positive monthly EBITDA, meeting the target set at the beginning of the year.

In the Internet Services segment, due to partial revisions to the Super Point Up Program rules implemented from December 2023 and a high YoY hurdle from factors including the partial conclusion of the nationwide travel support program in July 2023, the domestic e-commerce GMS growth rate was -1.5% YoY. However, the GMS of our main businesses, Rakuten Ichiba and Rakuten Travel, achieved positive YoY growth. In overseas businesses, strong revenue growth from Rakuten Viber, Rakuten Kobo, and Rakuten Viki, as well as profitability improvement initiatives in businesses such as Rakuten Rewards, led to a full-year surplus.

In the FinTech segment, the number of accounts at Rakuten Bank surpassed 16 million, and the number of general accounts at Rakuten Securities exceeded 12 million (as of January 2025), continuing to expand our customer base. For Rakuten Card, shopping GTV exceeded ¥24 trillion, and cost reduction measures were successful, resulting in a significant increase in profit. In the insurance business, increased face-to-face sales of life insurance and strong online applications for general insurance led to YoY revenue growth. Rakuten Payment achieved its first full-year operating income surplus through increased revenue from the expansion of GTV for Rakuten Pay (app payments) and ongoing cost control.

In the Mobile segment, we worked to improve the network quality of Rakuten Mobile and drive awareness, while also rolling out various programs targeting families and different

Consolidated Financial Results Summary[*1]

(JPY bn, rounded)

	FY2023	FY2024	YoY
Consolidated Revenue	2,071.3	2,279.2	+10.0%
Internet Services Segment	1,212.3	1,282.1	+5.8%
FinTech Segment	725.2	820.4	+13.1%
Mobile Segment	364.6	440.7	+20.9%
Adjustments	-230.7	-264.0	-33.3
Non-GAAP Operating Income (Loss)[*2][*3]	-153.0	7.0	+160.1
(Reference only: Excluding Mobile Segment & Minority Investment Business)	170.4	217.9	+27.9%
Internet Services Segment	65.6	85.1	+29.8%
FinTech Segment	111.2	153.4	+37.9%
Mobile Segment	-314.6	-208.9	+105.6
Adjustments	-15.3	-22.5	-7.3
Amortization of Intangible Assets	-13.6	-6.8	+6.7
Stock Based Compensation	-14.3	-15.9	-1.6
One-Off Items	-31.9	68.7	+100.6
IFRS Operating Income (Loss)	-212.9	53.0	+265.8
EBITDA[*2][*3][*4]	148.2	326.0	+120.0%
Internet Services Segment	104.9	125.4	+19.5%
FinTech Segment	169.3	216.9	+28.1%
Mobile Segment	-156.1	-36.3	+119.9
Adjustments	30.1	20.0	-33.6%

[*1] From Q3/23, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Services segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

[*2] From Q3/24, Mobile Ecosystem Contribution has been reflected in segment results. Retroactive revisions have been made to each segment's results from Q1/23. There is no impact on Consolidated Non-GAAP Operating Income (Loss) and Consolidated EBITDA. Please refer to the Financial Results Summary (p. 7) for details on how the Mobile Ecosystem Contribution is calculated.

[*3] From Q4/24, investment income (loss) related to the Mobile segment was transferred from Minority Investment of the Internet Services segment to the Mobile segment. Past figures have been retroactively revised.

[*4] EBITDA = Non-GAAP OI + depreciation and amortization etc.

generations as well as acquisition initiatives in collaboration with various services in the Rakuten Ecosystem, such as Rakuten Ichiba and Rakuten Card. As a result, the number of subscriptions increased steadily. In addition, due to increased data usage driven by higher 5G utilization and increased advertising revenue, ARPU (average revenue per user) has continued to rise.

On the financial front, we continued to focus on balance sheet management by reducing interest-bearing debt and actively controlling the bond redemption schedule. In 2024, we undertook initiatives such as partial sales of subsidiary shares, bond issuance, and company-wide improvements to the cash conversion cycle, and have addressed all bonds maturing or redeeming by 2025. In addition, Rakuten Mobile, Inc. executed a sale-and-leaseback utilizing its owned base stations. Along with these efforts, as mentioned above, improved profitability across businesses enabled us to cover the funding needs for this fiscal year of the entire Group, including the mobile business, without relying on an increase in interest-bearing debt.

For 2025, we have set two goals: expanding consolidated Non-GAAP operating income surplus and achieving full-year EBITDA breakeven for Rakuten Mobile, Inc. As in the previous year, we will continue to work on improving profitability and enhancing financial soundness across the Group.

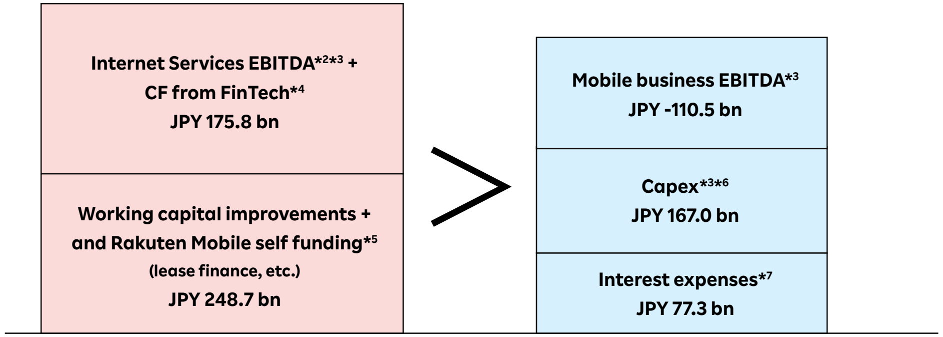
Q How do you plan to achieve full-year EBITDA breakeven for Rakuten Mobile, Inc.?

We will continue to aim for revenue growth by increasing the number of subscriptions and raising ARPU. As for operating costs excluding depreciation, expenses for base station construction peaked around mid-2023, but were reduced and stabilized by the end of that year and have since been maintained at an adequate level. Therefore, achieving revenue that exceeds this level will directly lead to positive EBITDA.

Regarding customer acquisition, we will continue to work on improving network quality and driving awareness, while also reviewing acquisition channels to broaden our subscriber base from urban to rural areas and from younger to middle-aged and older demographics. For ARPU, we will work to increase it by expanding and strengthening the sales of optional menus and services.

Established Self-Funding at the Group Level

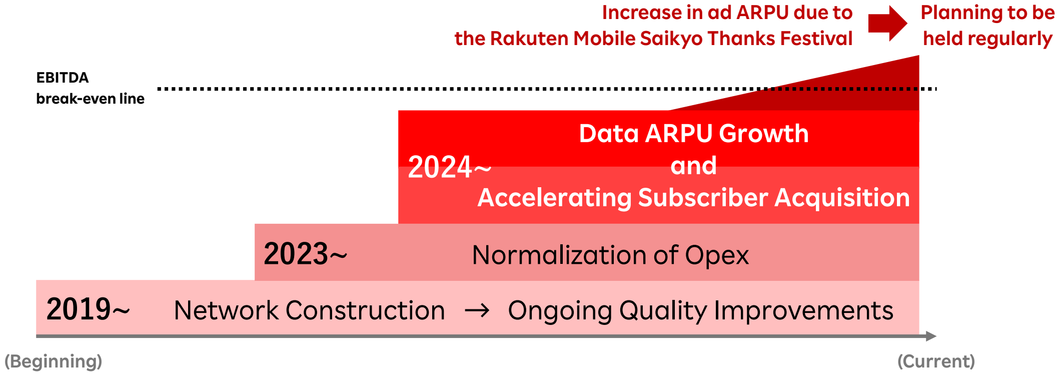
Covered capital needs in FY2024 without relying on new debt*1 at Rakuten Group, Inc.


Internet Services EBITDA*2*3 +
CF from FinTech*4
JPY 175.8 bn
Working capital improvements +
and Rakuten Mobile self funding*5
(lease finance, etc.)
JPY 248.7 bn
>
Mobile business EBITDA*3
JPY -110.5 bn
Capex*3*6
JPY 167.0 bn
Interest expenses*7
JPY 77.3 bn

*1 Excluding refinancing. *2 Sum of Internet services and consolidated adjusted EBITDA.
*3 Related adjustment made for right-of-use assets based on IFRS 16. *4 Dividends, management consulting fees, etc. from financial business.
*5 Net amount raised and reimbursed from securitization of accounts receivable and lease financing, etc. of Rakuten Mobile, Inc.
*6 Capital investment in non-FinTech businesses. *7 Total interest on bonds and leases and dividends paid on perpetual subordinated debt.

Rakuten Mobile Achieved Monthly EBITDA Profitability

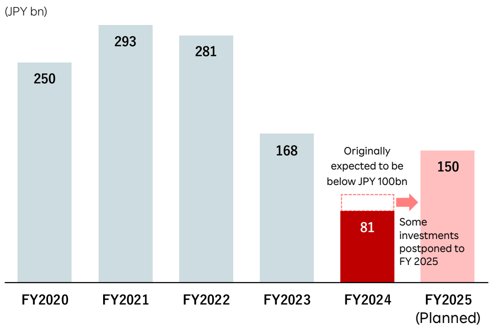
■ **Strong subscriber acquisition and higher ARPU on improved network quality, continuous cost control, and increased ad revenue due to the Rakuten Mobile Saikyo Thanks Festival held in December 2024, led to EBITDA profit in the month of December 2024**


Increase in ad ARPU due to the Rakuten Mobile Saikyo Thanks Festival
Planning to be held regularly
EBITDA break-even line
2024~
Data ARPU Growth and Accelerating Subscriber Acquisition
2023~
Normalization of Opex
2019~
Network Construction → Ongoing Quality Improvements
(Beginning)
(Current)

Q What are the future infrastructure investment plans for Rakuten Mobile, Inc.?

We expect our expenditure on infrastructure in 2025 to be around ¥150 billion. Improving network quality will be a key driver for accelerating customer acquisition, so we intend to invest firmly in this area. In particular, in 2025, we will focus on expanding the bandwidth of shared base stations in subways and tunnels, establishing new base stations and adding capacity in densely populated areas to address congestion and reducing coverage gaps by utilizing the platinum band, among other initiatives.

Promoting Capex to Further Improve Network Quality



Major Capex Items in FY2025

Bandwidth expansion for shared infrastructure in subways, tunnels, etc

New base stations and additional capacity to address congestion in populated areas

Reducing coverage holes by utilizing Platinum Band

(Maintenance costs remain limited)

Q What are future financial goals and plans for reducing interest-bearing debt?

We will continue to focus on the ongoing performance improvement of our main businesses, while also working on balance sheet management through the reduction of interest-bearing debt and proactive control of the redemption schedule, aiming to maintain medium-term financial soundness. Specifically, by 2027, we are targeting a net interest-bearing debt to EBITDA ratio of 5 times or less for non-FinTech businesses, and a consolidated equity ratio of 10% or higher in the medium term. Regarding subordinated bonds that will reach their first call timing from the next fiscal year onward, we plan to execute early redemption at the first call date.

Our Commitment: Financial Discipline

Business
- ▶ Core businesses: continued profit growth
- ▶ Company-wide efficiency and cost reduction
- ▶ Reduction of working capital

Finance
- ▶ Reduction of interest-bearing debt
- ▶ Proactive management of maturity schedule

Achievements
- ✓ Full-year non-GAAP OI profit in FY2024
- ✓ Rakuten Mobile monthly EBITDA profit in FY2024
- ✓ Eliminated refinancing risk up to the end 2025

Targets
- ✓ Rakuten Mobile full-year EBITDA profitability in FY2025
- ✓ Continued full-year consolidated OI profit in FY2025

Aim to maintain medium-term financial soundness by continuously improving creditworthiness

☐ **Non-FinTech net interest-bearing debt[*1, 2] / Non-FinTech non-GAAP EBITDA[*3] : within 5x**

☐ **Consolidated equity ratio: 10%**

*1 Based on IFRS accounting.

*2 Total interest-bearing debt from non-FinTech businesses (bonds and borrowings + lease liabilities) – Cash from non-FinTech businesses (cash and cash equivalents from non-FinTech businesses + listed securities + managed surplus cash) = Net interest-bearing debt from non-FinTech businesses.

*3 Consolidated Non-GAAP EBITDA – FinTech Non-GAAP EBITDA + Dividends and management consulting fees from FinTech businesses (Non-GAAP EBITDA is calculated before considering the Mobile Ecosystem Contribution).

Q What is shareholder return policy?

With regards to shareholder returns, we have worked towards paying stable and continual dividends, while also taking into consideration medium- to long-term growth investments and securing sufficient internal reserves to solidify our financial standing. However, considering our current financial situation, we believe that reducing interest-bearing debt by curbing cash outflows is what will allow us to secure financial soundness for the Rakuten Group, which, in turn, will enhance shareholder value. This is why we decided not to pay dividends for FY2024. The timing for when dividend payments will resume is currently undetermined, but we will strive to do so at the appropriate time as we work towards a swift return to consolidated profitability and a reduction in interest-bearing debt. On the other hand, the Rakuten Mobile voice and data plan offered as shareholder benefits have a high yield and have been very well received. We hope that this service will further enhance convenience and deepen understanding among our shareholders.

Section 3

Rakuten's VALUE CREATION

Since its inception, the Rakuten Group has been committed to creating innovations to solve various social issues, strongly believing in the potential of the Internet with "Empowerment" as its core value. In this section, we will explain in sequence how Rakuten addresses these challenges, how it invests capital, and how it creates value for stakeholders and society.

Value Creation Process

MISSION Contribute to society by creating value through innovation and entrepreneurship

VISION Global Innovation Company

Vision 2030

Drive business growth by strengthening three pillars: Technology, Talent, and Sustainability.
Revenue growth (double-digit year-over-year growth rate) and profit margin growth (in the 20% range).

External Environment P.21

Social issues

- Stagnation of local economies
- Disparities in access to financial services
- Soaring telecommunications costs
- Climate change

etc.

Competitive landscape

- E-commerce expansion
- Growth of cashless society
- Diversification of Ecosystems

Input (Invested Capital) P.22

Financial Capital

Consolidated Total Assets: ¥22.6 trillion (As of Dec 31, 2023)
Non-FinTech Interest-bearing Debt
(Interest-bearing Debt of Rakuten Group): ¥1.4 trillion
Consolidated Total Equity: 1.1 trillion yen

Intellectual Capital

Extensive Data Assets Contributing to Maximizing Customer Value

Rakuten ID: Approximately 100 million
Global Users: Over 1.8 billion
Point Program: Rakuten Points Issued in 2023: 650 billion
Cumulative registered patents: Approximately 6,500 (As of Dec 31, 2023)
Rakuten Logo Recognition in Japan: 94.7%

Technological Capital

Technical Infrastructure and Know-How Built on Data and a Large Pool of IT Talent

(Examples) Rakuten Data Platform
Fully Virtualized, Cloud-Native Mobile Network
Rakuten AI Innovation Platform

Human Capital

Diverse and global talent

- 29,000 employees, including 6,000 engineers
- Over 100 nationalities
- 40.7% women and 23.6% non-Japanese (Rakuten Group, Inc.)

Social Capital

Platformer rich of numerous relationships

- Over 50,000 merchants, 40,000 hoteliers, 6,000,000 stores using Rakuten Pay
- Comprehensive partnership agreements with 55 local governments (as of Mar. 2025)

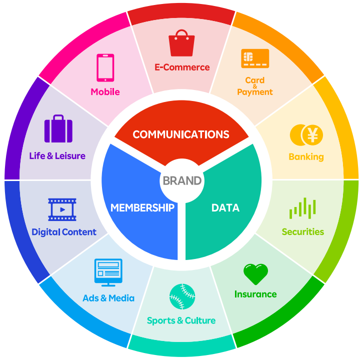
Natural Capital

Optimized energy consumption

Electricity Usage 902,719MWh
Renewable Energy Ratio 21%

Operations

Business Model: Rakuten Ecosystem



Foundation and Values Supporting Business Activities

- Corporate Governance
- Ethical Business Practices
- Information Security and Privacy
- Product and Service Quality
- Rakuten Shugi

Economic Value Through Business Activities* P.23

Membership Value: ¥9.6 tn	Consolidated Revenue: ¥2.3 tn	Non-GAAP Operating Income: ¥7,048 mm
Global GTV*: ¥44.8 tn *Gross Transaction Value	Domestic EC GMS: ¥6.0 tn	Rakuten Mobile Total Subscribers: 8.30 mm
Rakuten Card Shopping GTV: ¥24.0 tn	Rakuten Bank Accounts: 16.48 mm	Rakuten Securities General Accounts: 11.93 mm

*Figures are for the full year 2024 or as of the end of 2024.

Output

Financial Capital

Consolidated Total Assets: ¥26.5 trillion (As of Dec 31, 2024)
Non-FinTech Interest-bearing Debt
(Interest-bearing Debt of Rakuten Group): ¥1.7 trillion
Consolidated Total Equity: 1.2 trillion yen

Intellectual Capital

Rakuten ID: Approximately 100 million
Global Users: Over 1.9 billion
Point Program: Rakuten Points Issued in 2024: 580 billion
Point Satisfaction No. 1
Cumulative registered patents: Over 7,000 (As of Dec 31, 2024)
Rakuten Logo Recognition in Japan: 94.3%

Technological Capital

Awarded Global Leader in 5G Upload Speed in the Opensignal Global Mobile Network Experience Awards 2025
Developed Proprietary LLMs (Rakuten AI 7B / 7Bx8 / mini Received IT Award)
Launched Generative AI Services for Enterprises

Human Capital

Learning organization

- Training per employee: 43h average
- Rakuten AI for employees: 30,000 users, 8,000 daily users

Social Capital

Trusted service provider

- +100 million Rakuten IDs in Japan, 1.9 billion globally
- No.1 NPS earned among the industry in 10 services
- Rakuten Mobile's corporate customers: 18,000 (as of Jan. 2025)

Natural Capital

Goals in line with Paris Agreement

- Scope 1: 3,638 t-CO_2
- Scope 2: 325,382 t-CO_2
- Scope 3: 11,160,952 t-CO_2

Outcome

Partners

Business potential unlocked by technologies and learning content

P.24

Users

Daily life enriched by quality services catering to the needs of all

P.25

Communities

Local economies revitalized through data-driven initiatives

P.26

Employees

Endless growth opportunities in an environment that nurture innovation

P.27

External Environment

Social Issues

Stagnation of local economies

Rakuten Ichiba was launched with a mission to provide a platform where even small, local stores and individual businesses could compete on equal footing with large, national-scale companies. The concept was to create an online "market" vibrant despite the declining population. The word *rakuten* means "optimism," advocating belief in the future, and this positive spirit has been carefully preserved as we diversified into the array of services we offer today.

Disparities in access to financial services

Access to financial services is fundamental for maintaining economic stability in life. However, not everyone can fully leverage the financial services available today. Rakuten aims to realize a society where everyone has equitable access to all financial services, leaving no one behind.

Soaring telecommunications costs

Prior to Rakuten's entrance into the mobile carrier (MNO) business, mobile communication fees in Japan were extremely high in contrast to other major global cities. Rakuten Mobile embarked on the mobile carrier business with a mission: to democratize the mobile market. We introduced low-cost, straightforward pricing plans, made possible by our pioneering, world-first*, fully virtualized, cloud-native mobile network.

*For a large-scale commercial mobile network (as of October 1, 2019). Research: Stella Associa.

Climate change

Climate change poses one of the most urgent challenges for our society today, heightening the risks of abnormal weather patterns and significant disasters that affect people worldwide, including Rakuten's own operations. As a global company that operates over 70 different services inside and outside of Japan, Rakuten has demonstrated its corporate responsibility with climate actions in line with the Paris Agreement.

Competitive Landscape

E-commerce expansion

While e-commerce markets continue to grow worldwide, Japan's e-commerce penetration rate remains low at 9.4%, indicating significant growth potential. Rakuten aims to expand its market share in the e-commerce market by leveraging its strengths in diverse products and services, a unique point program, and a logistics network. Moving forward, providing personalized shopping experiences using AI, strengthening cross-border e-commerce, and introducing new technologies will be key to further growth. We will continue to evolve daily to maintain a competitive advantage in the rapidly changing e-commerce market.

Growth of cashless society

Cashless payments offer high convenience and are experiencing increased consumer adoption. Rakuten provides payment services such as Rakuten Pay and Rakuten Card to promote cashless adoption. Moving forward, strengthening security, expanding the point program, and introducing new payment technologies will lead to further expansion of usage. Furthermore, strengthening collaboration with brick-and-mortar stores and providing a seamless payment experience that transcends the boundaries between online and offline is also important.

Diversification of Ecosystems

The multipolarization of Ecosystems is progressing, increasing consumer choices. Rakuten is working to connect various services through the Rakuten Ecosystem, making them even more accessible to consumers. Moving forward, further strengthening marketing using customer data, developing new services, and collaborating with external companies will be important in enhancing the competitiveness of the Ecosystem. In addition, accelerating global expansion and acquiring customers worldwide will lead to the expansion of the Ecosystem.

Invested Capital

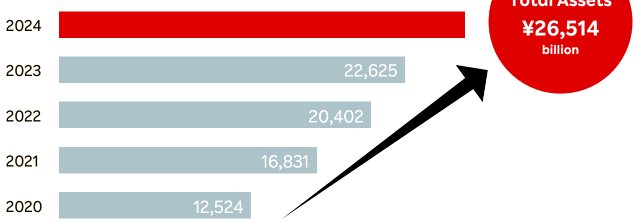
Financial Capital

To enable smooth fundraising, we maintain solid and diversified funding sources.

- **Consolidated Total Assets: ¥22.6 trillion (As of Dec 31, 2023) ▶ ¥26.5 trillion (As of Dec 31, 2024)**
  Non-FinTech Business Interest-bearing Debt*: ¥1.4 trillion (As of Dec 31, 2023) ▶ ¥1.7 trillion (As of Dec 31, 2024)
  Consolidated Total Equity: 1.1 trillion yen (As of Dec 31, 2023) ▶ ¥1.2 trillion (As of Dec 31, 2024)

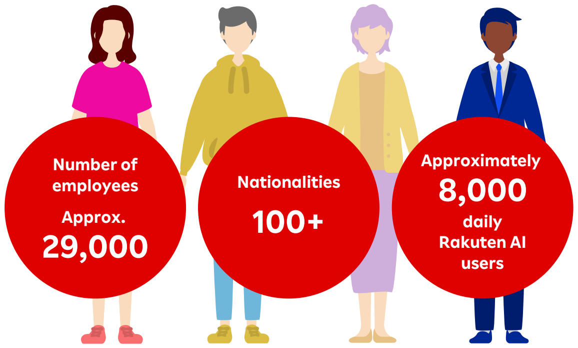
*Interest-bearing Debt of Rakuten Group

Total Assets
(JPY billion)



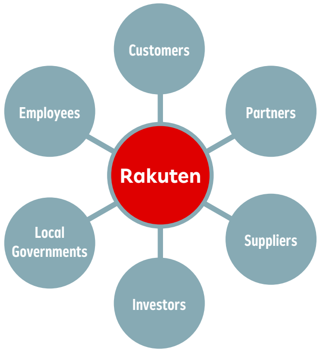
Human Capital

The Rakuten Group is made of talents with a variety of backgrounds, showcasing their skills and expertise on a global stage. To foster the creation of innovative services, employees have access to a wealth of training opportunities, with cutting-edge technology integrated into their daily work routines.


Number of employees
Approx.
29,000
Nationalities
100+
Approximately
8,000
daily
Rakuten AI
users

Social Capital

Our platforms and services involve a wide range of partners, from local governments and large corporations to small and medium-sized enterprises. These relations of trust that we have established with notably approximately 100 million Rakuten IDs and tens of thousands of corporate customers, are one of our most precious assets.

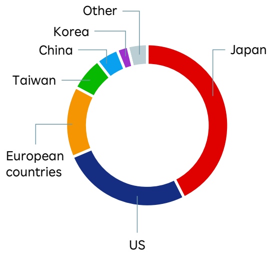

Customers
Employees
Partners
Rakuten
Local Governments
Suppliers
Investors

Intellectual Capital

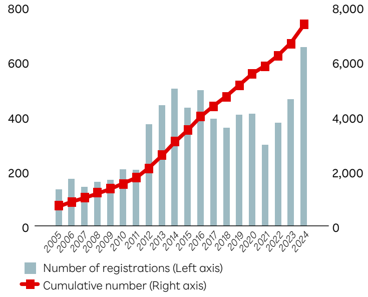
Leveraging a wide variety of data assets to maximize customer value in service operations.

- **Rakuten ID: Approximately 100 million (As of Dec 31, 2024)**
- **Global Users: Over 1.9 billion (End of Dec. 2024)**
- **Patents: Approximately 6,500 (As of Dec 31, 2023) ▶ Over 7,000 (As of Dec 31, 2024)**
- **Brand Logo Awareness: 94.3% (As of Dec 31, 2024)**

Breakdown of patent portfolio by country



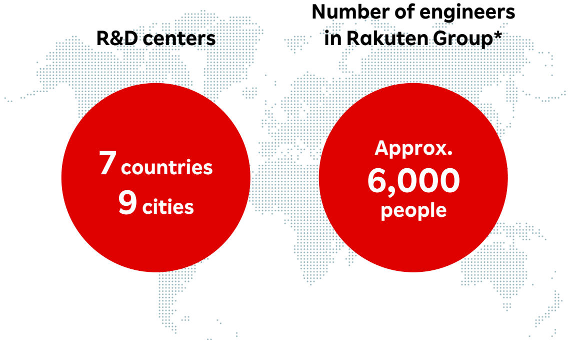
Number of patent registrations in the last 20 years



Technological Capital

Technical infrastructure and know-how built by data and a wealth of IT talent.

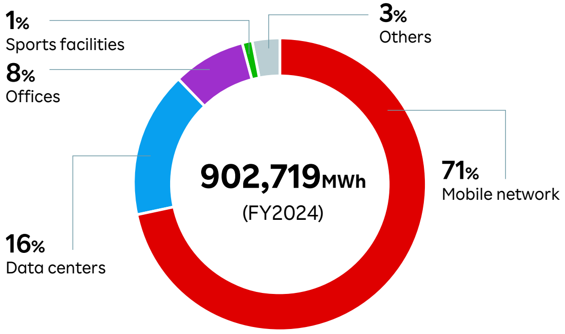
- **Rakuten Data Platform**
- **Fully Virtualized, Cloud-Native Mobile Network**
- **Rakuten AI Innovation Platform**


R&D centers
7 countries
9 cities
Number of engineers in Rakuten Group*
Approx.
6,000
people

*as of January 2025

Natural Capital

Rakuten's businesses rely on richness of our natural environment. In terms of energy usage, electricity accounts for over 98% of our consumption, as an IT company. Alongside all of our stakeholders, we are working to effect positive change in society through the improvement and optimization of our resource usage.



Economic Value Through Business Activities

Membership Value

9.6 tn

+4.3% YoY

*As of forth quarter 2024

The membership value is calculated from "number of unique users" x "cross-use" x "lifetime value." We have set a goal of 10 trillion yen.

Consolidated Revenue

2.3 tn

+10.0% YoY

*FY2024

Revenue increased across all segments, including Internet Services, FinTech, and Mobile, resulting in record-high full-year revenue.

Non-GAAP Operating Income

7.0 bn

+160.1 bn YoY

*FY2024

In addition to revenue growth, significant profit improvements in Rakuten Mobile and cost optimization efforts at the group level led to full year consolidated Non-GAAP operating income profitability for the first time since 2019.

Global GTV

44.8 tn

+11.1% YoY

*FY2024

Global gross transaction value is growing steadily thanks to the strong foundation provided by our online services, our FinTech services, and our open commerce activities on the global stage.

Domestic EC GMS

6.0 tn

-1.5% YoY

*FY2024. +4.6% YoY excluding temporary factors.

Although there was negative growth due to some temporary factors, the growth rate excluding these factors was a +4.6% YoY. Additionally, GMS of the main businesses, Rakuten Ichiba and Rakuten Travel, both showed positive growth.

Rakuten Mobile Total Subscribers

8.30 mm

+27.2% YoY

*As of end of December 2024

With improvements in network quality and increased its awareness, the pace of acquisitions accelerated, resulting in an increase of 1.77 million lines over the course of 2024.

Rakuten Card Shopping GTV

24.0 tn

+13.7% YoY

*FY2024

Continuous growth was achieved alongside the expansion of the membership base and average spending per user. The increase in usage scenarios through Rakuten Pay and the rise in accumulated investment amounts in Rakuten Securities due to the launch of the new NISA have also contributed to the expansion of GTV.

Rakuten Bank Accounts

16.48 mm

+11.7% YoY

*As of end of December 2024

Account acquisition leveraging group synergies proved successful. Along with further progress in becoming main and primary living accounts, deposit balances also increased, with non-consolidated deposit balances (J-GAAP) surpassing 12.0 trillion yen as of the end of 2024.

Rakuten Securities General Accounts

11.93 mm

+17.0% YoY

*As of end of December 2024

Customer base significantly expanded due to zero domestic stock commissions (from Oct 2023) and new NISA (from Jan 2024).

Empowerment by Rakuten

Partners

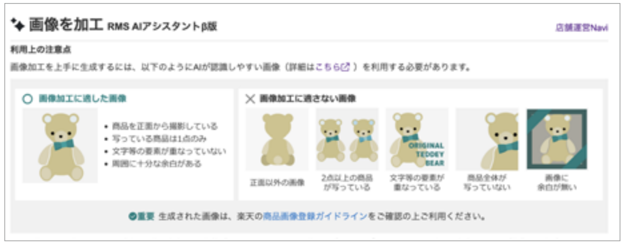
With the goal of enabling even small, local shops – regardless of their computer skills – to easily open online stores, we launched the internet shopping mall Rakuten Ichiba. Now, 28 years later, the Rakuten Group continues to leverage new technologies such as AI and mobile communication to accelerate the digitalization of all its business partners, unlocking their limitless potential.

1 Partners
2 Users
3 Communities
4 Employees

Case 1

Streamlining Store Operations on Rakuten Ichiba with AI Tools

Since 2024, Rakuten Ichiba has offered the RMS AI Assistant (Beta), a suite of AI-powered tools designed to support store operations. This tool includes a variety of AI functions, such as generating product descriptions, processing product images, creating responses to customer inquiries, analyzing and explaining sales trends, and an AI chatbot to answer questions about store management. By utilizing these features, stores on the platform can streamline their operations and save time. Since its release, 64% of stores have used the tool at least once, and a satisfaction survey conducted in January 2025 showed that 50% of respondents reported improved operational efficiency. Rakuten is committed to further improving the accuracy of existing AI functions and developing new features to further support stores in improving their operations.



✦ 画像を加工 RMS AIアシスタントβ版

店舗運営Navi

利用上の注意点

画像加工を上手に生成するには、以下のようにAIが認識しやすい画像（詳細はこちら）を利用する必要があります。

○ 画像加工に適した画像

- 商品を正面から撮影している
- 写っている商品は1点のみ
- 文字等の要素が重なっていない
- 周囲に十分な余白がある

× 画像加工に適さない画像

正面以外の画像
2点以上の商品が写っている
文字等の要素が重なっている
商品全体が写っていない
画像に余白が無い

●重要 生成された画像は、楽天の商品画像登録ガイドラインをご確認の上ご利用ください。

To promote understanding of AI among its store partners, the Rakuten AI University was added to Rakuten University, which provides e-commerce skills. This program offers stores the opportunity to systematically learn everything from basic AI concepts to practical applications through online courses and learning materials. As of February 2025, six courses are available, covering fundamental AI knowledge, use cases on Rakuten Ichiba, and detailed features of the RMS AI Assistant (Beta). Live online courses are held monthly, providing a forum for participants to ask instructors questions in real-time, fostering practical understanding. In addition, the quarterly newsletter for stores features the latest AI use cases, providing information to help them visualize how to implement AI in their own businesses.

Voice **"Rakuten AI University" Participant**

Time Savings and Quick Knowledge Application

Through Rakuten AI University, I was able to systematically understand the fundamentals of AI, as well as the overview and application methods of various AI tools offered by Rakuten. The courses included explanations of operation methods and use cases while showing actual screens, which helped me visualize how to utilize the tools in our own store. By using the AI-powered product image processing tool to improve product images and create image photos without studio photography, we saw increased sales, a reduction of approximately 100 hours of work time per year, and cost savings of approximately 800,000 yen. I was also able to resolve questions and gain new skills through the live online courses. We plan to continue utilizing Rakuten AI University to incorporate AI into our store operations.

Yasuo Shinohara
CAR MATE MFG. CO., LTD., Chief Manager

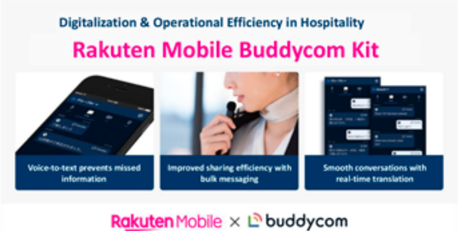
Case 2

Rakuten Mobile: Supporting Workplace Innovation with Enterprise Services

Rakuten Mobile is driving digital transformation (DX) for businesses and municipalities across various industries through its communication plans and solution services for enterprise customers. In approximately two years since launch, we have secured contracts with over 18,000 companies.

We actively promote cost-effective, high-quality, and low-priced plans (Rakuten Saikyo Plan Business), making them easily accessible even for those with budget constraints. In addition to communication plans, we offer a comprehensive suite of solution services to support a wide range of business needs. This expands the overall reach of the enterprise market and aims to improve operations for various applications. These activities continue to evolve by incorporating feedback gathered from each business unit responsible for the more than 70 services offered by Rakuten.

For example, lodging facilities affiliated with Rakuten Travel have implemented Buddycom* to facilitate smooth communication between staff members. Including translation and location-sharing features, this new tool can handle not only internal communication but also inbound demand, improving operational efficiency and increasing guest satisfaction. In the medical field, in response to requests for safer and easier access to medical information, the introduction of biometric authentication terminals has made it possible to conveniently access electronic medical records while ensuring the security of customer information.


Digitalization & Operational Efficiency in Hospitality
Rakuten Mobile Buddycom Kit
Voice-to-text prevents missed information
Improved sharing efficiency with bulk messaging
Smooth conversations with real-time translation
Rakuten Mobile × buddycom

*Buddycom is a communication platform connecting deskless workers. It can be easily implemented by simply installing an app on a smartphone and offers a full range of user-friendly features for businesses with frequent customer interactions, such as simultaneous voice broadcasting, message read-aloud, voice-to-text transcription, and location sharing. Available features vary depending on the subscription plan.

Voice **Enterprise Service User**

First Implementation in Japan of a Cloud-Based Electronic Medical Record System

I believe the healthcare industry lags other sectors in terms of DX. When time is of the essence, we still rely on fax machines to exchange information because using email to handle personal data is risky. People in other industries might be surprised to hear that fax machines are still in use. Amidst this, we were the first in Japan to implement a cloud-native electronic medical record system. With Rakuten Mobile's proposal, we also decided to introduce smartphones with biometric authentication, and I am very pleased that we have been able to achieve the secure and simple access to medical information that we envisioned. The biggest benefit of introducing new technology is that it has reduced the burden of our work, allowing us to focus more on patient care and concentrate on our core tasks.

Dairi Higashi
Osaka Prefecture, Seikokai Hospital, Director

Empowerment by Rakuten

Users

The Rakuten Group places great importance on improving the quality, reliability, and convenience of its services. However, these efforts cannot achieve their true value unless everyone can take a full advantage of the Rakuten Ecosystem. We aim to enhance the inclusivity of our diverse services, ensuring that no one is left behind, and that everyone can truly experience empowerment.

1 Partners
2 Users
3 Communities
4 Employees

Rakuten Beauty

Supporting LGBTQ+ Friendly Beauty Experiences

Rakuten Beauty is dedicated to creating safe and welcoming beauty experiences for LGBTQ+ individuals. The service provides salons with free educational resources, including videos and checklists, designed to help them become LGBTQ+ friendly and promote inclusivity. A dedicated webpage (Japanese) features salons that have pledged their support, with more than 100 participating as of March 2025. This initiative is expanding, with the goal of improving beauty experiences for all.

Rakuten Mobile

Smartphone Courses Tailored for Seniors and Inclusive Pricing Plans

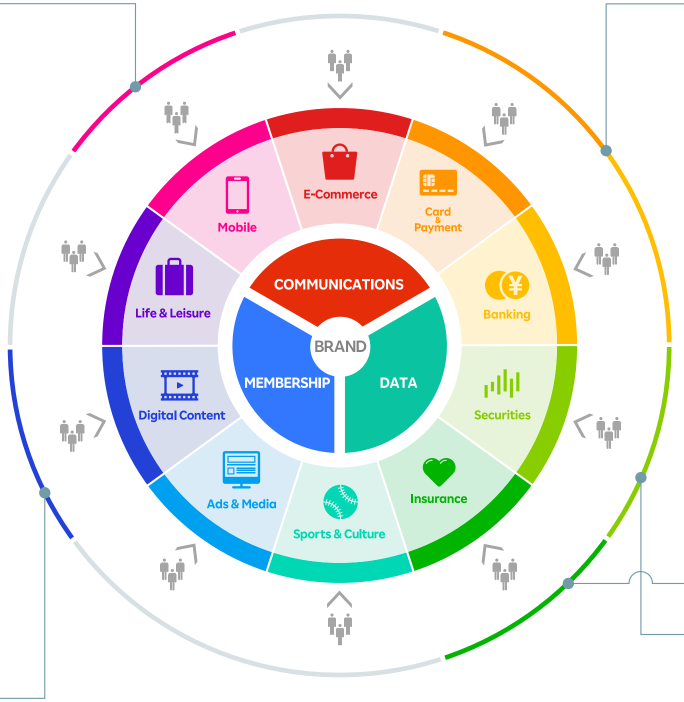
Rakuten Mobile supports the improvement of digital literacy among senior citizens by regularly holding smartphone courses. These courses provide practical knowledge, from basic smartphone operations to tips for safe internet usage. The Saikyo Senior Program offers a 15-Minute Unlimited Calls & Safety Pack, a bundle of four optional services designed to ensure seniors can use their smartphones with peace of mind. Additionally, the Saikyo Family Program is available to a wide range of family structures, including same-sex partners and common-law marriages.

Rakuten TV

Promoting Inclusion in the World of Sports

Rakuten TV strives to inspire positive change by showcasing content that reflects society's diversity. In anticipation of the Paris 2024 Olympic and Paralympic Games, the platform produced original content focused on LGBTQ+ themes in sports, championing diversity and inclusion.

Rakuten empowers every user by providing inclusive services



Financial Services

Supporting Diverse Lifestyles with Rakuten Card, Rakuten Life Insurance, Rakuten General Insurance, and Rakuten Bank

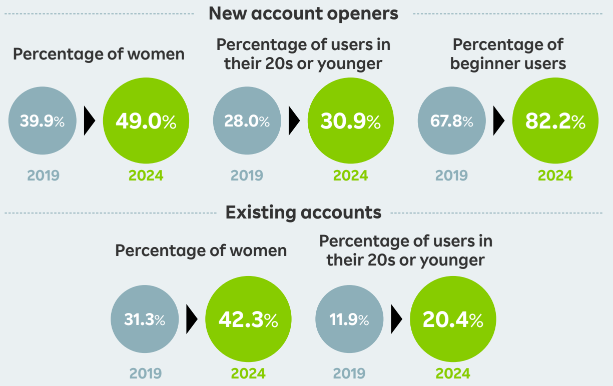
Rakuten Card's family card, Rakuten Life Insurance's death benefit beneficiary designation, Rakuten General Insurance's main product coverage, and Rakuten Bank's home loans are all services available to same-sex partners.

Rakuten Securities

Society Where Everyone Can Build and Grow their Assets

Rakuten Securities is committed to creating an environment where everyone, regardless of gender or age, can build and grow their assets with confidence. Through financial literacy education, Rakuten Securities offers a wide range of learning opportunities, both online and offline, covering everything from the basics to practical applications, thereby supporting each customer's individual asset-building journey.

Changing demographics of Rakuten Securities accounts



Empowerment by Rakuten

Communities

The Rakuten Group is leveraging its strength and working alongside local governments and regional businesses to drive various initiatives that revitalize local economies, foster greater community involvement, and support disaster recovery efforts. By leveraging the power of digital technology and data, Rakuten aims to shape the future of local communities while being committed to the core values held since its foundation.

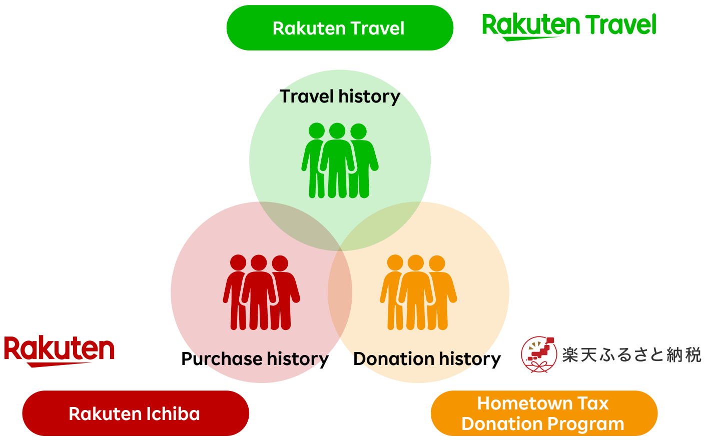
1 Partners
2 Users
3 Communities
4 Employees

Case 1

Empowering Municipalities to Increase Revenue Through Data Analysis Tools

As of March 2025, Rakuten has established partnership agreements with 55 municipalities across Japan to tackle local community challenges, including revitalizing regional economies and fostering greater community involvement. To address these issues, it is crucial to design and implement initiatives that align with the unique strengths of each region. Rakuten launched RakuDash, a specialized analytics tool for municipalities, in response to the increasing emphasis on data-driven value creation and the growing adoption of digital technologies in public administration. This tool is utilized by municipalities engaged in initiatives such as product sales through Rakuten Ichiba, fundraising through Rakuten Furusato Nozei (hometown tax), and tourism promotion using Rakuten Travel. RakuDash analyzes purchase data linked to approximately 100 million Rakuten IDs and usage histories from over 70 services, visualizing user attributes and trends in each region as marketing data*. This information supports policy planning and effectiveness measurement.

While the marketing data - covering commerce, hometown tax, and tourism - are clearly visualized, extracting meaningful insights requires specialized expertise. Therefore, in addition to the support from designated consultants, Rakuten also hosts RakuDemy workshops, where participants can learn the importance of data utilization through lectures and gain practical experience. These workshops are tailored to the individual needs of each region and municipality, with the goal of turning insights into practical strategies, such as boosting tourism and increasing hometown tax donations. Through these initiatives, Rakuten collaborates with municipalities to enhance regional business revenue and expand community engagement.



*Statistically processed data from the usage history of Group's services where individuals, business partners, and other third parties are not identified

Voice **Feedback from a user of the Data Analysis Tool**

Boosting Prices of Products Through Strategic Use of Data

In 2012, Ehime Prefecture became the first in Japan to establish a sales organization within its administrative structure. Later, in 2019, the prefecture launched its promotional brand, Ehime Hyakka, to showcase local products and collaborated with Rakuten to launch a special website, Ehime Hyakkaten, to promote local goods. In recent years, Ehime Prefecture has utilized RakuDash to analyze purchase data from Ehime Hyakkaten, maximizing insights into revenue and user demographics for products, tourism, and hometown tax donations offered on Rakuten Ichiba.

These insights have been used to implement targeted initiatives, including the distribution of accommodation coupons to individuals who purchased Ehime products on Rakuten Ichiba. This enhanced the effectiveness of promotional campaigns, resulting in a 5,000 yen increase in average user spending on Ehime-related services on Rakuten Ichiba.

RakuDash is regularly updated with new features, expanding its usability and range of uses. Looking ahead, Ehime Prefecture plans to further utilize this tool to promote local products and drive regional growth through digital innovation.

Mr. Noriyoshi Kasagi
Ehime Prefecture, Sales Headquarters

Case 2

Maximizing the Power of the Internet for Earthquake Relief

In response to the 2024 Noto Peninsula Earthquake, Rakuten Ichiba launched a dedicated webpage featuring over 1,800 stores from Ishikawa, Toyama, Fukui, and Niigata Prefectures to support the affected areas. A dedicated team of 14 consultants, with strong relationships with local businesses, spearheaded the recruitment of participating stores. This initiative provided sales opportunities for more than 10 million products, including regional specialties and traditional confections. Local businesses, including those without physical storefronts and Ryokans forced to suspend operations, joined the project, utilizing online sales to bolster their economic recovery.

Additionally, to support the affected municipalities, a dedicated page was created on Rakuten Furusato Nozei, the hometown tax payment platform. The earthquake relief efforts were further supported by the Rakuten Clutch Special Charity Fund, an online donation platform that had collected a total of ¥358,582,243 in donations as of March 4, 2025. Rakuten's headquarters also collaborated with the Noto Junior and Senior High School Relief Project, an initiative led by high school students from Ishikawa Prefecture, to host a product exhibition featuring specialty goods from the Noto Peninsula in its offices.

Empowerment by Rakuten

Employees

Rakuten brings together employees who are driven to create new value. We foster an environment that nurtures innovative ideas and provide systems that support the growth of each employee, developing talent that contributes to society.

1 Partners
2 Users
3 Communities
4 Employees

Voice 1 **At the Forefront of Privacy Protection**

Specialists Nurtured by Rakuten

I work in the Information Security & Privacy Governance Department. Originally, I joined Rakuten as a temporary employee. My supervisor once told me, "The field of privacy in Japan is still not well-established, and we are looking for someone who can understand the law and communicate effectively while overseeing this area. You might be a great fit." This comment inspired me to start studying privacy, which eventually led to me obtaining the "Protection of Individual Information Person" certification. Currently, I have acquired the certification, "Advanced Protection of Individual Information Person," and serve as the manager of the Privacy Awareness Group, where I am responsible for promoting Rakuten's privacy protection initiatives both internally and externally.

One of the appealing aspects of working at Rakuten is that the company focuses on an individual's characteristics and potential, rather than their past career or background. Additionally, Rakuten has systems in place to support employees' challenges and growth, such as department transfers and internal job postings. I still remember how happy I felt when my supervisor, who had observed my daily work, said, "If you want to aim to become a specialist, I'll support you." Moving forward, I aim to continue building my knowledge and experience as a privacy specialist and contribute to enhancing Rakuten's image with the goal of "making privacy a strength for Rakuten."

Yoko Ogawa
Information Security & Privacy Governance Department
Global DPO Office
Manager

Voice 2 **The Key to Growth**

Diverse Work Styles and Support for Balancing Parenting and Career

I currently work as a researcher at Rakuten Insight, a business focused on marketing research. My main responsibilities involve analyzing consumer awareness and behaviors through online surveys and providing the results to companies and organizations. Recently, I have been conducting research and data analysis utilizing the vast amount of data available within the Rakuten Ecosystem, as well as employing diverse methods and technologies for surveys and analyses. Additionally, Rakuten provides its own AI tools internally, which I have been leveraging to create survey questionnaires, reports and data analysis, all aimed at improving productivity. Since joining Rakuten, I have gone through marriage and childbirth, and I am now raising a child who is in their first year of junior high school while pursuing my career. Rakuten stands out for its supportive work environment, offering systems like flextime and remote work, which make it easier to balance parenting and professional responsibilities. Another standout feature of Rakuten is the presence of employees with extensive experience as researchers in specific industries. These individuals are highly trusted as experts and are often regarded as the go-to people for their respective fields. The approachable atmosphere that encourages open consultation with such experts is incredibly reassuring. I aspire to become a specialist who is similarly recognized as a dependable expert, while also contributing meaningfully to society. To achieve this, I am committed to continuing to gain experience as a researcher and further honing my expertise.

Lanji Li
Rakuten Insight, Inc.
Retail & Public Solutions Section

Voice 3 **Co-Creation in Engineering**

Achieving Innovation Through Teamwork

I was born and raised near Paris, France, and have always been fascinated by traditional craftsmanship and the local communities that nurture and preserve it. After earning a master's degree in software engineering in Paris, I began building my career as an engineer. When I considered working in Japan, I was deeply drawn to Rakuten's philosophy of empowering small, local businesses while being a global company, which ultimately led me to join the organization. I am now involved in designing the architecture that underpins Rakuten's services. I see my role as "bringing people together." At Rakuten, development tools and operational methods are entrusted to individual teams and departments, resulting in diverse units with unique cultures and backgrounds. The team members themselves also come from a wide variety of regions and countries. Understanding what kind of development and operational environments my colleagues need, as well as anticipating the systems that will be required in the future, involves aligning different opinions and strategies. This process of collaboration and coordination is incredibly stimulating and rewarding. My team is dedicated to developing technologies that exceed customer expectations. Moving forward, we will continue to grow alongside our business partners and work together as a unified team to deliver even better services.

Olivier Claquin
Cloud Management Department
Vice General Manager

Voice 4 **Involving Young Talent in Management**

Fostering a Culture of Ownership

I joined Rakuten in 2022 as a new graduate. My role involves tracking and analyzing various management indicators to ensure that appropriate decisions are made regarding the Rakuten Group's overall business portfolio. This requires me to engage with people from diverse departments and backgrounds, allowing me to approach issues from multiple perspectives and with a high level of detail. Additionally, as a member of the Corporate Strategy Department, which operates directly under the Chief Operating Officer, I have the opportunity to work closely with the executives, supporting the management and operations of individual group businesses. The environment at Rakuten, where even young employees can engage with senior leadership and discuss critical issues, is very rewarding. I am not only inspired by the high-level perspectives, vitality, and commitment of the leadership team, but I also feel empowered by Rakuten's "Five Principles of Success," which treats individuals as professionals regardless of their experience or age. This has strengthened my desire to grow both as a person and as a professional. As I gain more experience, the challenges I face are becoming increasingly significant. However, I am determined to tackle them with a strong sense of ownership and continue contributing to Rakuten's success.

Yuma Yamane
General Planning Department
Group Operation Support Office

Section 4

STRATEGY FOR BUSINESS REALIZATION

We aim for sustainable growth by combining a business strategy centered on the Rakuten Ecosystem with a sustainability strategy.

Rakuten
Rakuten Mobile
R Pay

Areas of Focus / Strategy

Vision 2030

Rakuten Group is committed to continuous evolution and fostering innovation in a dynamic environment, which has led to the development of our medium to long-term plan, *Vision 2030**.

With *Vision 2030*, our objective is to sustain double-digit revenue growth and aim for an operating profit margin exceeding 20%.

To realize this ambition, we have identified several key pillars: enhancing AI and core technologies; expanding our technological capabilities to meet diverse environmental shifts and demands; applying new technologies in business to quickly and effectively create value; recruiting and nurturing talent with exceptional execution skills and an entrepreneurial spirit; and tackling global social challenges while creating sustainable platforms and improving the sustainability of our ongoing services.

These pillars will guide our efforts to drive continuous growth in the Internet Services and FinTech segments. Additionally, we are focused on achieving profitability and sustainable profit generation for Rakuten Mobile and Rakuten Symphony in the Mobile segment, aligning with our revenue and operating profit margin goals.

*Formulated in 2022

Business

Maintain Revenue Growth / Grow Profit Margin

Internet Services and FinTech
Continue growth of core businesses and turnaround or improved profitability of growth investment phase businesses

Mobile
Aim for profitability of Rakuten Mobile and become the No. 1 MNO
Aim for substantial profitability of Rakuten Symphony through global expansion

AI
Increase marketing, operations and clients' productivity by 20%

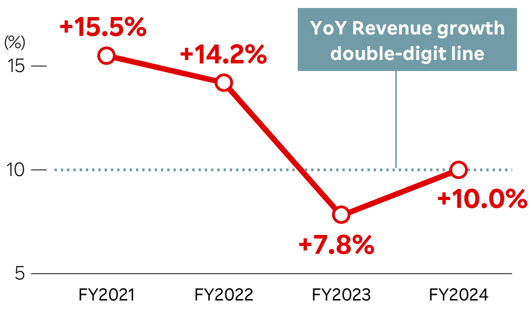
Sustainability

Growing with Our Employees
DEI, Engagement, Well-being

Providing Sustainable Platforms and Services
Service Accessibility and Trustworthy Content, Responsible Technology, Partner Engagement

Addressing Global Challenges
Carbon-free Society, Fostering Innovation and Entrepreneurship, Crisis Management

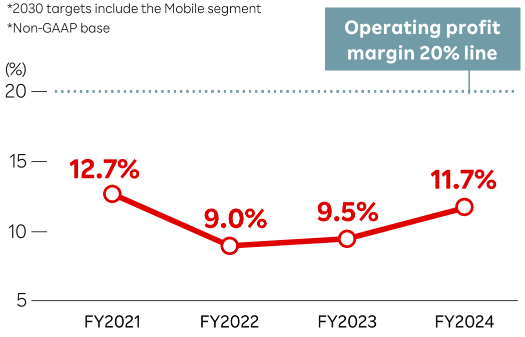
Year-on-Year Revenue Growth



The year-on-year revenue growth rate for fiscal 2024 was +10.0%, marking the target double-digit revenue increase. By segment, Internet Services grew by +5.8%, FinTech by +13.1%, and Mobile by +20.9%. In Internet Services, despite a high year-on-year hurdle due to the point rule revision in December 2023 and the partial termination of nationwide travel support in July 2023, the International BU's services recorded strong revenue growth. The strong subscribers acquisition and ARPU improvement accompanying the network quality enhancement of Rakuten Mobile also significantly contributed to the consolidated double-digit revenue growth.

Operating Profit Margin

*Operating profit margins for 2021-2024 do not include the Mobile segment
*2030 targets include the Mobile segment
*Non-GAAP base



The operating profit margin for FY2024 (excluding the Mobile segment) was 11.7%, an improvement of 2.3 percentage points from the previous year. The operating profit margin for the Internet Services segment was 6.6% (up 1.2 points year-on-year), supported by improved profitability in the logistics business, first-party, and online grocery businesses. FinTech segment's operating profit margin was 18.7% (up 15.3 points year-on-year), driven by improved profit margins in Rakuten Card and Rakuten Bank. Going forward, we expect to achieve target levels through enhanced operational and marketing efficiency utilizing AI, as well as timely and appropriate reviews of the business portfolio.

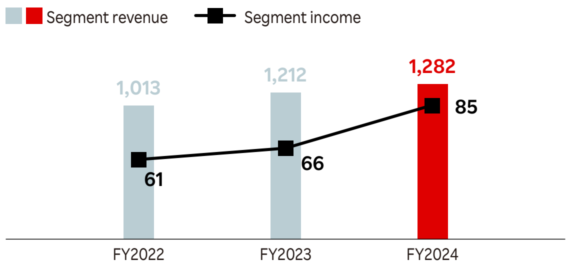
Business

Business Strategy

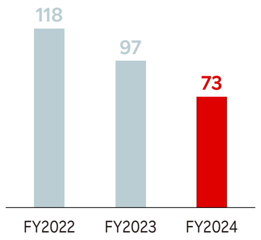
Segment Overview (For the fiscal year ended December 31, 2024)

Internet Services

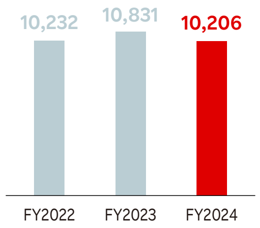
Segment revenue and income*1 (JPY billion)



Capital Expenditure*2 (JPY billion)

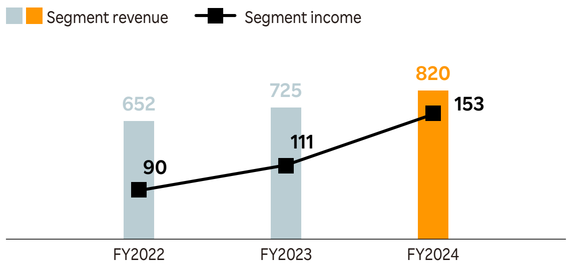


Number of employees*3 (People)

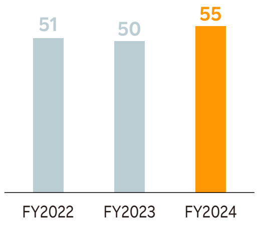


FinTech

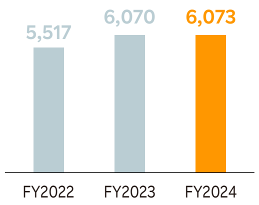
Segment revenue and income*1 (JPY billion)



Capital Expenditure*2 (JPY billion)

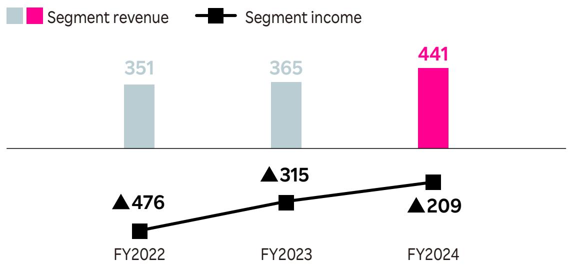


Number of employees*3 (People)

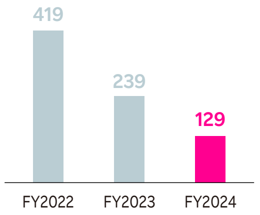


Mobile

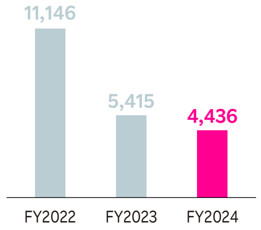
Segment revenue and income*1 (JPY billion)



Capital Expenditure*2 (JPY billion)



Number of employees*3 (People)



	Internet Services	FinTech	Mobile
Main Services	Rakuten Ichiba, Rakuten Travel, Rakuten GORA, Rakuten Books, Rakuten Fashion, Rakuten Mart, Rakuten Super Logistics, Rakuten Rakuma, Rakuten Rewards, Rakuten Viber, Rakuten Kobo	Rakuten Card, Rakuten Bank, Rakuten Securities, Rakuten Pay, Rakuten Life Insurance, Rakuten General Insurance	Rakuten Mobile, Rakuten Symphony, Rakuten Denki (Electricity), Rakuten Gas, Rakuten Hikari (Fixed line, etc.), Rakuten Communications
Similar Companies	Amazon, LINE Yahoo (Yahoo! Shopping), Mercari, ZOZO (ZOZOTOWN), Recruit (Jalan.net), etc.	Visa, Mastercard, GMO Payment Gateway, PayPal, Block (Square), Sumitomo Mitsui Card, JCB, Mitsubishi UFJ NICOS, Marui, SBI Sumishin Net Bank, Sony Bank, SBI Securities, Monex Securities, PayPay, etc.	NTT Docomo, KDDI, SoftBank

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*1 Non-GAAP basis

*2 Acquisition basis. Includes right-of-use assets (base station land leases, data centers, GC's, shops, etc) accounted for under IFRS16 and costs for establishing specified base stations.

*3 Employee count reflects the number of full-time employees and excludes director-level employee, temporary staff, part-time workers, and employees in development, administrative, and shared service functions not directly attributable to a specific segment.

Drive GMS Growth Through Rakuten Mobile Subscriptions and AI Utilization

SWOT Analysis

S	W
[Strengths] Large Domestic Ecommerce scale, Diverse product lineup, Established payment/logistics	**[Weaknesses]** Marketplace quality control, Stretched management resources
O	**T**
[Opportunities] EC market growth, Advancement of AI technology, expansion of the e-commerce advertising market for physical goods, and increase in inbound demand	**[Threats]** New market entrants, Economic/social changes, Logistics labor shortage, System server outages and delivery delays due to natural disasters

Business Overview

Rakuten operates a variety of platform and marketplace businesses, including its original internet shopping mall "Rakuten Ichiba," the travel reservation service "Rakuten Travel," the consumer commerce app "Rakuten Rakuma," and the golf reservation site "Rakuten GORA." In addition to these platform businesses, Rakuten also manages direct sales e-commerce services such as the "Rakuten Books" online bookstore, the "Rakuten Fashion" site, and the "Rakuten Mart" online supermarket. Rakuten also provides comprehensive support for its domestic e-commerce services through "Rakuten Super Logistics," a total logistics solution for "Rakuten Ichiba" merchants. In 2024, Rakuten's domestic e-commerce Gross Merchandise Sales (GMS) totaled approximately 6 trillion yen, making it one of the largest e-commerce businesses in Japan.

Market Environment

According to a 2023 survey by the Ministry of Economy, Trade and Industry (METI)*2, Japan's BtoC e-commerce market reached 24.8 trillion yen (a 9.2% year-over-year increase). E-commerce penetration for physical goods within the BtoC market*3 reached 9.4% (up 0.2 percentage points from the previous year). Further market growth is expected with continued digitalization. Moreover, service-related e-commerce, including travel, is expected to experience significant growth due to the digitalization of the domestic market and the expansion of inbound demand.

*1 Domestic E-commerce includes: Ichiba, Travel (Accommodation Booking), Books, Books Network, Golf, Fashion, Dream Business, Beauty, Rakuten 24 and other Direct Sales of Daily Necessities, Car, Rakuma, Rebates, Rakuten Mart, Rakuten Ticket, Cross-Border Trading, etc.

*2 Source: "FY2023 Digital Transaction Environment Improvement Project (Market Research on Electronic Commerce)" (Ministry of Economy, Trade and Industry)

*3 In this survey, the e-commerce penetration rate refers to the ratio of the electronic commerce market size to the total value of all commercial transactions (commercial transaction market size). The calculation of the e-commerce penetration rate covers the product sales sector in BtoC EC and industries other than "Other" in the industry classification in BtoB EC.

Business Strategy

In 2024, domestic e-commerce GMS totaled ¥5.955 trillion, a 1.5% decrease year-over-year. This decline was influenced by factors such as a high year-on-year comparison for Rakuten Travel due to the nationwide travel support program that partially ended in July 2023, and the transfer of the Rakuten Payment online payment business to the FinTech segment starting September 2023. Excluding these temporary impacts*4, GMS showed positive growth of 4.6% year-over-year. Notably, the GMS of the core businesses Rakuten Ichiba and Rakuten Travel achieved year-over-year growth even before accounting for these temporary effects.

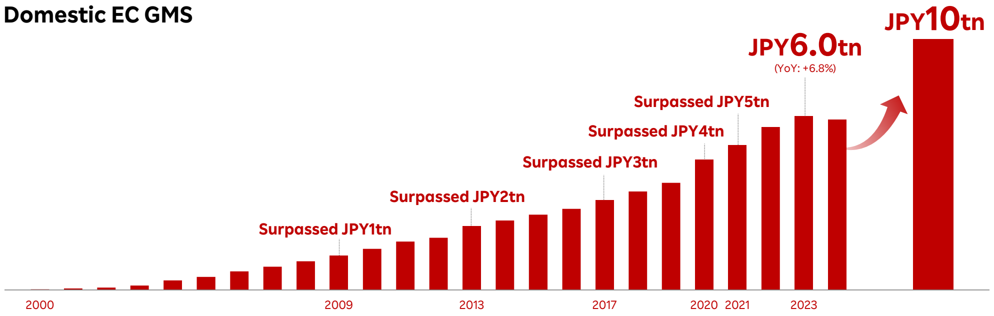
For 2025, we are targeting mid-to-high single-digit growth in domestic e-commerce GMS. To achieve this, particularly within Rakuten Ichiba, which represents our largest share, we will focus on three key strategies: strengthening collaboration with Rakuten Mobile, further enhancing the customer experience, and advancing the utilization of AI. Currently, among Rakuten members, those who are Rakuten Mobile subscribers (hereafter, subscribers) earn five times the points on purchases made on Rakuten Ichiba. Furthermore, since last year, these subscribers have enjoyed early access to our popular Rakuten Super Sale events. Our data indicates that subscribers generate approximately 1.5 times higher average annual GMS compared to non-subscribers*5. As of Q4 2024, subscribers represent 15.1% of Rakuten Ichiba's monthly active users, highlighting the significant potential for further GMS expansion by increasing this proportion. To enhance the customer experience, we are refining mechanisms such as subscription services and expanding the range of products eligible for the "SAIKYO Next-Day Delivery" service, launched last July, to improve overall usability. Finally, we are committed to leveraging AI across our platform. Since March 2024, we have been providing the "RMS AI Assistant Beta" to our merchants, helping them streamline their operations. We are also actively using AI to improve the precision of our advertising and personalize search results based on individual customer purchase behavior.

Within Rakuten Travel, we launched the "Rakuten Travel Bonus Program" last year to enhance customer loyalty. This program increases the Rakuten Point multiplier at participating accommodations based on the number of stays a customer book annually. Capturing inbound tourism is also a critical strategic priority. Rakuten Travel currently offers its services in eight languages tailored for international travelers and supports transactions in 15 currencies. Furthermore, Rakuten Travel Xchange, our wholesale platform that distributes accommodation inventory from around the world to OTAs both domestically and internationally, is performing strongly. This platform is increasing brand awareness and expanding our distribution channels within the broader travel industry.

*4 Impact of: SPU/0/5 Rule Revision (December 2023~), End of Nationwide Travel Support (~July 2023), Payment Online Transfer (September 2023~)

*5 Difference in average GMV per person over the past year between Rakuten Mobile subscribers and non-subscribers. Subscribers are defined as users who subscribed to Rakuten Mobile (MNO B2C) in any month from March 2020 to January 2024, whose line was active between January 2024 and December 2024, and whose purchasing behavior in the past year from the subscription month was aligned with that of non-subscribers. Non-subscribers are defined as users who used some other Rakuten service (other than Rakuten Mobile MNO B2C) in the past year from December 2024, and whose purchasing behavior in the past year from that month was aligned with that of subscribers.

Domestic EC GMS



Focusing on Revenue Growth and Sustainable Profitability

SWOT Analysis

[Strengths] High brand recognition and trust, large user base, and unique service offerings	**[Weaknesses]** Reliance on merchant partnerships and smaller market share than competitors
[Opportunities] The development of AI technology and growth in our market	**[Threats]** Changes in consumer spending habits, increased competition, new entrants, and economic slowdowns

Business Overview

The Rakuten International business unit heightens Rakuten's global presence through its diverse portfolio of services, including cashback rewards, digital content, and communication apps. Its key services include:

Rakuten Rewards: A leading shopping platform offering cashback deals and rewards to consumers in the U.S., Canada and U.K. Rakuten Rewards helps its members save on their everyday purchases from thousands of retailers and services in apparel, health and beauty, dining, grocery, travel, and electronics, among many other categories.

Rakuten Viber: This popular super app connects 1.57 billion people with free and secure messaging, high-quality voice calls, video calls, and more. With users in over 190 countries and regions and rapidly expanding business-to-business and payments offerings, Viber makes marketing easier for brands to attract their audience.

Rakuten Kobo: Catering to book lovers worldwide, Rakuten Kobo suits all reading preferences with its suite of award-winning e-readers and a bookstore offering more than six million eBooks and audiobooks.

Rakuten Viki: A leading platform for Asian entertainment and culture where millions of people discover and consume primetime shows and movies subtitled in more than 200 languages by our community of avid fans.

Market Environment

The Rakuten International business unit (BU) operates across diverse market environments due to its varied service offerings. In the cashback sector, the ease of online shopping and the convenience of mobile apps have fueled the growth of cashback platforms. Advancements in data analytics and AI enable personalized offers and targeted marketing, enhancing the effectiveness of rewards programs. The eBook market is significantly influenced by technological advancements. Advancements in e-ink technology, improved screen resolution, and faster processors all directly enhance the user experience. Additionally, the rise of audiobooks as a popular format presents an opportunity for investment in audio capabilities. Advancements in streaming technology, including improved video compression, faster internet speeds, and the proliferation of mobile devices, have driven growth for online video streaming platforms. The increasing global popularity of Asian culture and content, particularly Korean dramas, is a major social trend contributing to Rakuten Viki's growth. Rakuten Viber's vibrant, expanding user base in Southeast Asia is a significant asset, presenting numerous opportunities for growth and strategic development in light of the region's high mobile penetration rate and smartphone usage.

Business Strategy

Driven by Rakuten Kobo and Rakuten Viber, Rakuten International realized strong revenue growth in 2024. The successful implementation of cost-cutting and profitability improvement initiatives through its services resulted in a full-year operating profit.

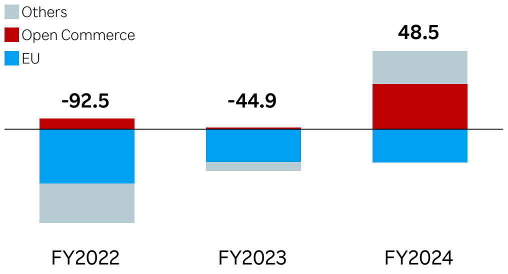
Rakuten Rewards offers shoppers cashback from a wide selection of retailers across diverse categories, including fashion, electronics, travel, and home goods. The business continues to expand its merchant network and international footprint. By leveraging data on user behavior, shopping patterns, and merchant performance, Rakuten Rewards optimizes personalized cashback offers and recommendations, enhances the platform's user interface, identifies and recruits new merchants, and improves marketing campaign effectiveness. Additionally, the introduction of AI Alli resolves up to 90% of cashback customer service inquiries.

Rakuten Viber is focusing on two key areas for further growth: user acquisition and improved features. In terms of user growth, Viber has a strong presence in Eastern Europe, Southeast Asia, and the Middle East. By offering multiple languages, localized content, and features tailored to specific markets, Viber aims to continuously expand its user base. Viber also partners with local businesses and organizations to provide relevant services and promotions to users. Viber provides its voice and video call users with an array of features, prioritizing privacy and security via end-to-end encryption, disappearing messages, and hidden chats. Other features include channels, and Viber Pay. This comprehensive feature set aims to make Viber a central hub for all communication needs.

Rakuten Kobo provides a compelling alternative to its competitors by offering a range of e-readers at different price points and with varying features. The color devices released in Q2 2024 have performed exceptionally well, accelerating Kobo's growth. In addition to hardware, Kobo focuses on expanding its successful Kobo+ subscription service into new markets and enriching its extensive library of e-books, featuring bestsellers, classics, independent titles, and audiobooks, allowing users to listen to books on their e-readers or mobile devices. Kobo also collaborates closely with publishers to offer a wide selection of e-books and exclusive content.

Rakuten Viki continues to focus on content acquisition and licensing for Asian dramas, movies, and variety shows from markets such as South Korea, China, Japan, Taiwan, and Thailand. Additionally, Viki has announced production partnerships to develop its own original dramas and movies to provide exclusive content to its subscribers.

Non-GAAP OI (USD mm)*



*Open commerce: Sum of Rakuten Rewards (US, Europe, Canada), Fillr, and overseas advertising business. EU: Sum of Rakuten TV and Rakuten France. Others: Sum of Rakuten Kobo, Rakuten Viber, Rakuten Viki, etc. Note that this does not include Rakuten Symphony, Taiwanese e-commerce business, or businesses run by overseas financial subsidiaries.

Business FinTech ▶ Card and Payment

Contributing to the Spread of Cashless Payments as Entry Points to the Rakuten Ecosystem

SWOT Analysis

S	W
[Strengths] · Integration of diverse payment methods and services into a single app · Utilization of Rakuten Group's online and offline data across a wide range of use cases, including shopping, travel, finance, and mobile · A strong customer and merchant base built on "Rakuten Points" · A rich lineup within the Ecosystem (EC, finance, mobile)	**[Weaknesses]** · Rakuten Card: Approaching corporate customers · Rakuten Payment: Further improvement in service awareness
O	**T**
[Opportunities] · Further increase in the cashless payment ratio · Expansion of credit card payment opportunities in B2B transactions · Further advancement of AI technology	**[Threats]** · Decline in consumer sentiment and worsening unemployment due to economic downturn · Decrease in membership and GTV due to declining birthrate and population

Business Overview

Since its launch in July 2005, "Rakuten Card" has actively promoted the spread of cashless payments both inside and outside the Rakuten Group, and now boasts one of the largest memberships in Japan, supporting the Rakuten Group's FinTech Ecosystem as a leading credit card. In addition, payment services provided by Rakuten Payment, such as "Rakuten Pay" and "Rakuten Edy," are widely used as essential payment methods in daily life. These services play an important role as entry points to the Rakuten Ecosystem.

Market Environment

The Japanese government has been promoting cashless payments with the aim of raising the cashless payment ratio to around 40% by June 2025 and eventually to 80%. As a result, the cashless payment ratio reached 42.8% in 2024, achieving the target ahead of schedule. In particular, QR/Bar code payment volume increased significantly by 24.1% year-on-year to 13.528 trillion yen, and credit card payment volume, which has the largest share, also grew by 10.6% year-on-year to 116.8924 trillion yen, driven by the spread of contactless payments. While the cashless payment ratio in major countries exceeds 50%, there is still room for further growth in Japan's cashless industry.

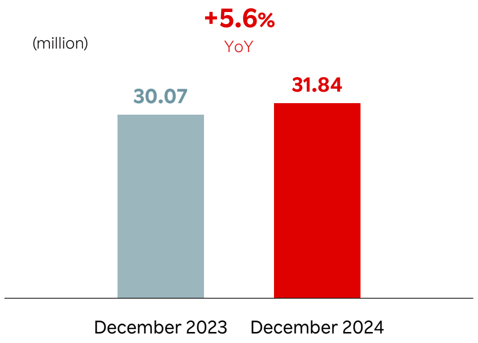
Business Strategy

"Rakuten Card" achieved one of the "Triple 3" goals announced in 2021 (30 million credit cards issued, 30 trillion yen shopping GTV, 30% GTV share), reaching 30 million cards issued in December 2023. As of December 2024, the number reached 31.84 million. Shopping GTV surpassed 24 trillion yen in 2024, with a GTV share of 24.6%. To further expand the customer base and GTV, we will work on efficient promotions targeting younger generations and enhance loyalty through stronger collaboration with the Rakuten Ecosystem. Through the partnership with Mizuho Financial Group, which began in December 2024, we aim for further growth and operational efficiency by issuing corporate cards and collaborating in acquiring. Through these initiatives, we aim to expand Non-GAAP operating income from 62.1 billion yen in 2024 to 100 billion yen in the medium term, and to achieve further growth beyond that.

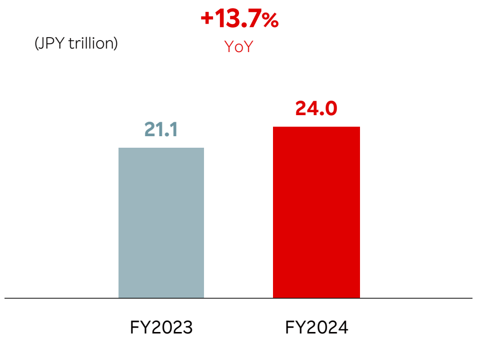
Rakuten Payment continues to see an increase in GTV through the expansion of "Rakuten Pay" users. Ongoing cost control has also contributed, and in 2024, Non-GAAP operating income turned positive for the first time. As cashless payments continue to be promoted, we will provide highly convenient payment services leveraging the Rakuten Ecosystem, aiming to expand our customer base and GTV. In addition, we will integrate the "Rakuten Edy" and "Rakuten Point Card" apps into "Rakuten Pay," and by analyzing the big data held by the Rakuten Group with AI, we will strive to provide optimal services to users. We will also support business operations for retailers and restaurants by providing solutions utilizing big data and AI.

Rakuten Card

No. of cards issued



Shopping GTV



FinTech Services with Strong Synergies for a Lifetime of Service

SWOT Analysis

S	W
[Strengths] · Customer acquisition leveraging the Rakuten Ecosystem · Strong collaboration among FinTech businesses	**[Weaknesses]** · Difficulty in acquiring customers outside the Rakuten Ecosystem
[Opportunities] · The expansion of interest income driven by the rising interest rate environment · Further accelerating the shift from savings to asset building · DX promotion fuels online insurance subscription growth	**[Threats]** · Changes in monetary policy hinder banks' opportunities to expand interest margins · Rapid market fluctuations deter individual investors from investing in stocks · Shrinking insurance market due to population decline

Business Overview

As the digital bank with the largest number of accounts in Japan, Rakuten Bank offers highly convenient financial services which enables customers to conduct transactions 24/7 online. Rakuten Securities is an easy-to-use online brokerage popular with a wide range of customers, including young people who are new to investing. Rakuten Life Insurance and Rakuten General Insurance offer simple, convenient, and affordable insurance products with easy online applications.

Market Environment

Since the introduction of the negative interest rate policy in 2016, bank deposit interest rates have remained low for a long time. However, with the end of the negative interest rate policy in 2024, the Japanese financial market has entered a “world with interest rates.” While deposit interest rates have increased, even greater increases in lending rates are expected to improve bank earnings.

The securities business, under the slogan of “shifting from savings to asset building,” encourages individuals to transfer their financial assets from savings to investment products. The new NISA system launched in 2024, a significant revision of its predecessor, is driving increased interest in asset building and investment among many people.

In the life insurance sector, the aging population is driving increased demand for medical and nursing care insurance. Additionally, the rise of digital transformation (DX) is driving more people to subscribe to insurance online.

Business Strategy

Rakuten Bank has reached 16.48 million* accounts by leveraging the Rakuten Ecosystem to acquire customers. More and more customers are using it as their main account, with non-consolidated deposit balances exceeding 12 trillion yen*. In addition to growth in assets under management, the increase in the Bank of Japan's policy interest rate has significantly boosted interest income. This has resulted in substantial increases in both revenue and profit. Going forward, we aim to further expand our customer base and diversify our managed assets to enhance profitability in a rising interest rate environment.

Rakuten Securities has experienced significant customer base expansion, reaching 11.93 million* general accounts. This growth is driven by the elimination of domestic stock trading fees in October 2023 and the launch of the new NISA system. Despite the impact of fee elimination, revenue and profit increased, driven by the diversification of its revenue structure. As the trend from “savings to asset building” continues to accelerate, we will focus on expanding our customer base and diversifying revenue sources. In addition, we are strengthening our collaboration with the entire Mizuho group, building on the business alliance with Mizuho Securities that began in October 2022. This collaboration will drive broader development in products, services, and systems, including new digital payment methods and simplified fund transfers.

In the insurance business, Rakuten Life Insurance has succeeded through face-to-face sales and O2O strategies. Rakuten General Insurance, on the other hand, has achieved success by leveraging the Rakuten Ecosystem for product development and tailoring application channels to each product's characteristics. We will continue to strengthen our key areas and drive customer acquisition from the Rakuten Ecosystem.

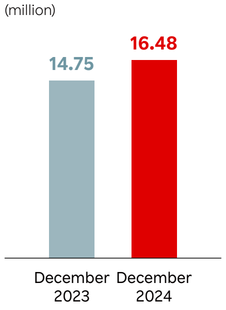
As a unified FinTech Ecosystem, we aim to improve customer satisfaction and increase user LTV (Lifetime Value) by maximizing synergies across our services.

*As of December 31, 2024. Figures are rounded down to the nearest unit.

Rakuten Bank

No. of accounts

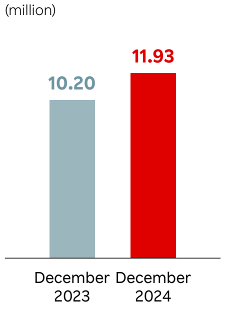
+11.7% YoY



Rakuten Securities

No. of general accounts

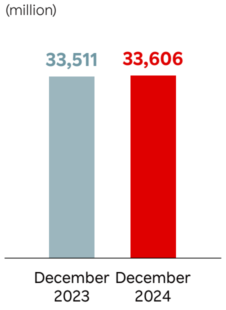
+17.0% YoY



Rakuten Life Insurance

Annualized insurance premiums in force

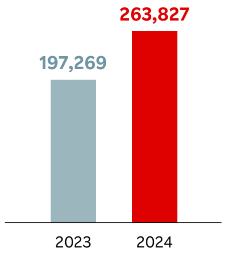
+0.3% YoY



Rakuten General Insurance

No. of web sales new policies

+33.7% YoY



Business Mobile ▶ Rakuten Mobile

Affordable, High-Quality Mobile Services Achieved with World-First * Technology

*For a large-scale commercial mobile network (as of October 1, 2019), Research: Stella Associa

SWOT Analysis

S	W
[Strengths] · Optimized Capital Expenditure and Operational Costs Through a Fully Virtualized, Cloud-Native Mobile Network · Simple and Competitive One-Plan Pricing · Customer Acquisition and Retention Through Collaboration with the Rakuten Ecosystem · Speed of Response to Change	**[Weaknesses]** · Further Improvement of Brand Awareness and Service Quality · Further Strengthening of Operational Know-How in the Telecommunications Industry · Frequency Allocation
O	**T**
[Opportunities] · Accelerating 5G Adoption · AI Utilization in Services and Network Operations, etc.	**[Threats]** · Changes in Regulations and Legal Systems · Sophistication of Cybercrime

Business Overview

Rakuten Mobile, with its mission to democratize the mobile industry, launched full-scale services in April 2020 with a simple and easy-to-understand one-plan service. By building the world’s first*[1] fully virtualized, cloud-native mobile network, it replaced hardware functions with software, enabling the network to be configured with low-cost, general-purpose hardware, resulting in significant cost reductions. Furthermore, by maximizing network operation efficiency through automation utilizing AI and machine learning, operational costs are suppressed, enabling the provision of affordable, high-quality mobile services.

*1 Research: Stella Associa

Market Environment

Before Rakuten Mobile’s entry into the mobile industry, smartphone fees in Japan were expensive compared to the rest of the world, but with Rakuten Mobile’s entry and the government’s request to lower fees, they have come down significantly. Furthermore, in May 2023, “MNP One-Stop” was launched, allowing users to switch mobile carriers without having to go through the procedure of issuing an MNP reservation number themselves. This increased user mobility and further intensified price competition. Data traffic volume is increasing year by year due to the increase of 5G, video streaming, and the increasing use of generative AI, making it increasingly important to balance both communication quality and cost performance.

Business Strategy

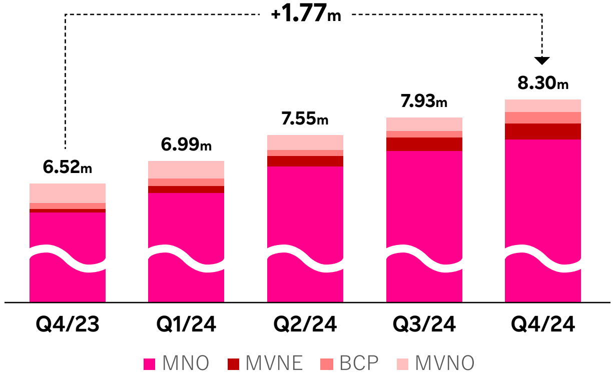
Rakuten Mobile’s basic strategy is to leverage the high capital investment and operational efficiency achieved through its fully virtualized, cloud-native mobile network to provide affordable, high-quality services, while also promoting the use of other services within the Rakuten Group and aiming to expand the overall Rakuten Ecosystem.

Since entering the mobile industry, Rakuten Mobile rapidly built out its network of base stations, achieving a 4G population coverage rate*[2] of 96% in the Rakuten network area in 2022, approximately four years ahead of the Ministry of Internal Affairs and Communications-certified deployment plan. In 2023, the company proceeded with optimizing operational costs, and in May of the same year, concluded a new roaming agreement with KDDI Corporation and announced the Rakuten Saikyo Plan. By abolishing the high-speed data capacity limit within the partner network area, users can now enjoy unlimited high-speed data throughout Japan.

With service quality dramatically improved and operational cost optimization completed, 2024 was positioned as a year of strengthened customer acquisition, and Rakuten Mobile enhanced marketing measures, primarily online. In addition to mass marketing, the company promoted referral marketing, focusing on word-of-mouth introductions based on users with high service satisfaction. Acquisition measures were also implemented targeting highly loyal users such as Rakuten Card holders, and discount programs were rolled out for different life stages and age groups, such as families, students, and seniors. As a result, the total number of subscriptions*[3] at the end of 2024 increased by 1.77 million compared to the end of the previous year, reaching 8.3 subscriptions (see Graph), significantly expanding the customer base. In addition, ARPU (Average Revenue Per User) continued to improve due to the expansion of 5G usage and the increased advertising value of Rakuten Link, and in December 2024, Rakuten Mobile, Inc. achieved EBITDA profitability on a monthly basis.

In 2025, Rakuten aims to achieve full-year EBITDA profitability for Rakuten Mobile, Inc. To this end, we will work to continuously improve network quality and drive awareness of this, while also targeting new audiences through a review of offline channels and regional strategies. Furthermore, we will promote initiatives to provide new value, such as the Rakuten Saikyo Satellite Service Powered by AST SpaceMobile (aiming to launch in the fourth quarter of 2026), which aims to expand connectivity across Japan – including mountainous regions, remote islands and in emergency situations such as areas affected by natural disasters – through direct communication between low-Earth orbit satellites and standard smartphones. In addition, the corporate mobile services that have been provided since 2023 continue to attract high interest due to the simple pricing plans and services. We will strengthen the provision of comprehensive services through combinations with industry-specific DX solutions, accelerating business growth.

Rakuten Mobile Total Subscribers (Lines)



*2 Population Coverage Ratio of Outdoor Base Stations Relative to Nighttime Population

*3 Total Number of MNO, MVNE, and MVNO Lines, Including BCP (Business Continuity Plan Use) Lines

Revolutionizing Telecom and Enterprise with Automation/AI, Cloud-Native Designs, and Open Networks

SWOT Analysis

[Strengths]	**[Weaknesses]**
Advanced proven platform business to enable intelligent operations for large complex businesses with cloud, automation and AI. Industry leading technologies empower open interfaces with fully virtualized and cloud-native Open RAN, intelligent network deployment and operations and cloud-native capabilities to dramatically lower CAPEX and OPEX	Automation and AI are not bolt-on solutions. Large complex businesses are often stuck with legacy technology and fear modernizing technologies and operations due to risk
[Opportunities]	**[Threats]**
All industries must modernize or fear replacement. Using proven approach and technology from mission critical telecom creates speed without risk	Legacy vendors and mindsets, while developing and deploying modern solutions, still want to lock in customers with scheduled upgrades. This slows the ability to make difficult modernization as fast as needed to become a leader

*Awards		
	March 2025:	"Global Mobile (GLOMO) Awards" Best Mobile Innovation for Digital Life ("Rakuten NEO")
	February 2024:	"GTI Awards 2024" Market Development & Monetization Award (AI Platform)
	November 2023:	"2023 Glotel Awards" Most Innovative Vendor Cloud Offering, Automation Initiative of the Year
	June 2023:	"MM Research Institute Award 2023" Smart Solution Category, Best Award in the 5G Infrastructure Field
	March 2023:	"GLOMO Awards" Best Network Software Breakthrough, Best Cloud Solution (Fully Virtualized Cloud-Native Mobile Network)

Business Overview

Rakuten Symphony is a global platform business spearheading the global adoption of cloud, automation and AI for telecom and enterprise. With experience gained from reinventing how mobile networks are designed and built with Rakuten Mobile, Rakuten Symphony is bringing open technology including Open RAN, intelligent operations and cloud-native solutions to telecom providers globally while moving beyond telecom to revolutionize enterprise IT. The result includes streamlined efficiencies, deeply reduced costs and faster service deployments.

Market Environment

As cloud, automation, open systems and AI have matured and are proven in mission critical telecom environments, the appetite for investing in modern solutions has skyrocketed. Telco operators have realized they must be more than a means for connectivity. Enterprises need to be lean while deploying better services directly to their customers. To do this, they must be more efficient while reducing cost.

Business Strategy

Rakuten Symphony's business strategy is centered on accelerating the global deployment of cloud, automation and AI solutions, continuous innovation to strengthen its competitive advantage, and sustainable growth by empowering operators and enterprises to build and operate cost-effective, secure, and flexible networks.

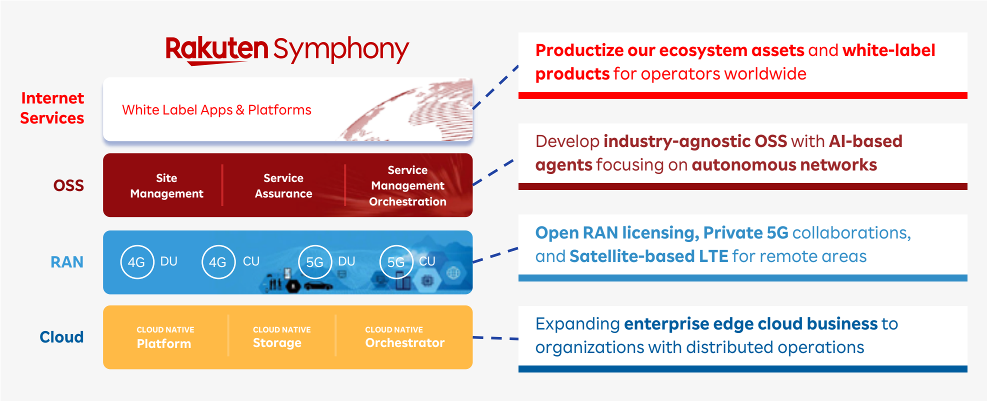
In December 2023, 1&1 AG, a German telecommunications provider supported by Rakuten Symphony for network deployment and operations, launched mobile carrier services in Germany. This marked the realization of Europe's first fully virtualized 5G network, setting a new benchmark for the telecommunications industry.

While existing telecommunications carriers operate large-scale commercial networks based on traditional technologies, they are showing a cautious approach to a complete, simultaneous migration of all systems.

Therefore, in February 2024, Rakuten Symphony launched the "Real Open RAN Licensing Program." This program lowers the barrier to entry for operators and promotes industry transformation by offering commercial access to Open RAN-compatible Centralized Unit (CU) and Distributed Unit (DU) software via an open community subscription model. In February 2025, Cisco, Airspan, and Tech Mahindra joined as partners in this program. By collaborating with these three companies, who possess a wealth of experience in the telecommunications industry, Rakuten Symphony aims to accelerate the adoption of Open RAN. This was highlighted at MWC Barcelona 2025, where executives from Cisco, Tech Mahindra, and Airspan advocated for the simple, scalable, and cost-effective software platform.

Currently, Rakuten Symphony is expanding beyond its RAN business to offer a total of four businesses: OSS, cloud, and internet services, strengthening the provision of solutions in each area.

Particularly in the cloud business, leveraging its track record and expertise in Open RAN and core network deployments on the cloud, Rakuten Symphony provides cloud solutions to companies in diverse industries, including not only the telecommunications industry but also retail, manufacturing, entertainment, and media, and has received numerous inquiries. In March 2025, Rakuten Symphony announced the strengthening of its global expansion through the "Google Cloud Marketplace." By providing highly available cloud services to Google Cloud customers through this marketplace, Rakuten Symphony is accelerating its global expansion.



Productize our ecosystem assets and **white-label products** for operators worldwide

Develop **industry-agnostic OSS** with **AI-based agents** focusing on **autonomous networks**

Open RAN licensing, Private 5G collaborations, and **Satellite-based LTE** for remote areas

Expanding **enterprise edge cloud business** to organizations with distributed operations

Combining AI and Human Intelligence to Accelerate Innovation

SWOT Analysis

[Strengths]
Abundant high-quality data resources, proven track record in AI technology application, partnerships with OpenAI and other leading AI companies, and strong Japanese LLM development capabilities

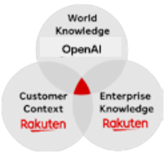
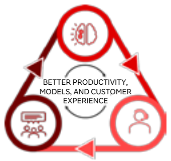
[Weaknesses]
Limited investment scale

[Opportunities]
Expanding AI market, AI needs of small and medium-sized enterprises, utilization within the Rakuten Ecosystem, and global expansion

[Threats]
Intensifying AI market competition, increasingly complex regulations, competition for AI talent, and changes to talent requirements

Business Overview

Rakuten's AI business is structured in three layers: data, deep learning, and generative AI, aiming to enhance user experience. It employs a "first principles thinking" approach – breaking down problems to their most fundamental elements to identify root causes and principles – to AI technology design, developing Japanese-optimized models such as Rakuten AI 7B, Rakuten AI 2.0, and Rakuten AI 2.0 mini. Semantic search and recommendation features are deployed across multiple services, with applications advancing in e-commerce and FinTech. Furthermore, Rakuten has established an "AI Code of Ethics" to promote ethical and safe AI development, emphasizing transparency and reliability while ensuring appropriate use of user data.

Vision	**Augment human creativity with the power of AI**		
Strategy	 Unique Data Assets	 Online + Offline Channels	 Growth "Flywheel"
Execution	**Wave 1** Deep Learning at Scale	**Wave 2** Rakuten AI for Business	**Wave 3** Rakuten AI for Consumers

Market Environment

Amid increasing global changes, geopolitical risks, and supply chain shifts, AI technology is key for companies to navigate uncertainty and establish a competitive edge, particularly in areas like enhanced e-commerce search accuracy, optimized ad delivery, and efficient customer support. Global e-commerce platforms, financial institutions, and ad tech companies are accelerating their investments in AI, leading to increased competition in data collection and analysis capabilities, machine learning algorithm development, and the AI talent acquisition. These companies aim to improve customer experiences, streamline operations, and create new revenue streams through AI, in order to establish market leadership. Rakuten must also capture these global trends and strategically leverage AI technology to strengthen its competitiveness and achieve sustainable growth.

Business Strategy

The business strategy is a two-pronged approach: collaboration with leading AI companies such as OpenAI and independent LLM development. While incorporating OpenAI's technology, Rakuten leverages its extensive big data assets to utilize AI technology in-house. The proprietary LLMs Rakuten AI 7B and Rakuten AI 2.0 excel in Japanese language processing and aim for internal use and deployment to partner companies. With the "Triple 20" project, Rakuten focuses on solving AI implementation challenges with the goal of improving productivity for marketing, operations and clients by 20%.

Rakuten's AI & Data Division plays a crucial role in driving innovation through AI technology across the Rakuten Group, which spans diverse business areas such as e-commerce, FinTech, and mobile. It is an indispensable element of the Group's overall growth strategy, contributing to improved customer experience, streamlined operations, and the creation of new businesses. Moving forward, it is expected to further expand its business and strengthen its competitiveness through data utilization and AI technology advancements. In particular, the large-scale datasets and diverse business environment will be a significant strength in AI research, development, and practical application.

Looking Forward: Rakuten's Vision for an Agentic AI Future

■ **Capitalizing on emerging trends and innovations to make AI accessible, powerful, and useful for every business, customer, and partner in the Rakuten Ecosystem**

01

Foster Human + AI Agent Collaboration

Create tools and services that keep humans at the center, while empowering radical AI-driven productivity boosts

02

Invest in Specialized AI

Leverage our unique data and domain expertise to build best-in-class AI Agents that solve real-world challenges for business customers and consumers

03

Accelerate Value Creation with AI

Pioneer new ways of using Agentic AI to scale teams and drive growth for business partners, advertisers, and the Rakuten Ecosystem

Group CAIDO Message

Empowering Society Through AI to Ensure Access to Its Benefits for All

Ting Cai

Group Senior Managing Executive Officer
Group CAIDO (Chief AI & Data Officer)
Group Senior Managing Executive Officer
of AI & Data Division

Q What is Rakuten's vision for AI?

Rakuten was founded in 1997 with the mission to contribute to society by creating value through innovation and entrepreneurship. Today, we continue our pursuit of that mission through AI-nization, the company's bold initiative to infuse AI into everything we do for users, business partners and employees. Our AI-nization mission is simple: Build useful, trustworthy AI that augments human creativity.

AI-nization is something that our founder and CEO, Mickey Mikitani, has been thinking about for quite some time. Nearly 10 years ago, Mickey wrote in a Rakuten blog post on AI and personalized customer service, "I think we can all benefit from looking at how to use AI to deliver on the promise of *omotenashi* – the concept of achieving the height of possibilities in customer satisfaction, including the very anticipation of their wants and needs." My team and I took these words to heart and made them the driving force behind everything Rakuten does with AI. We believe that it is not enough to just meet needs and wants – we must anticipate them by understanding our customers.

AI may be the most important technological revolution of our lifetimes. More than any other technological revolution before it, it has the chance to truly level the playing field between companies big and small, and entrepreneurs new and seasoned. It is a true augmentative force that can help everyone be more productive and bring their ideas to life – without complex technical training or deep understanding of computer science. This is why we are committed to leveraging it to empower society, realizing a world where everyone can enjoy the benefits of AI.

Q How is Rakuten uniquely positioned to deliver value through AI?

There is no company in the world like Rakuten. With 70+ businesses and almost 2 billion members around the world, the vast reach and breadth of the Rakuten Ecosystem means we have unique data, gleaned from trillions of online and offline interactions, providing deep insights into what our customers need and want. Our powerful global channels mean we can get AI solutions into the hands of more people in more places, faster.

Beyond data, our greatest asset is our people and their deep domain knowledge. By combining their human intelligence with our powerful artificial intelligence, we can build better models faster and cheaper. This Human Intelligence + Artificial Intelligence combination, and our strength in operational excellence, is a significant competitive advantage.

Q How is Rakuten using AI to empower customers and partners?

Rakuten AI is not about driving headlines, it's about delivering maximum value with the most efficiency. Everything we do is in service of our mission of building useful, trustworthy AIs that solve real-world business challenges for customers and partners.

As an e-commerce pioneer, Rakuten has helped merchants digitalize and leverage the latest innovative technology for almost three decades. Last year we continued that commitment with the launch of Rakuten AI tools for our merchants on Rakuten Ichiba. Merchants can use AI to write more compelling product descriptions, create more eye-catching images for products and even expedite solving customer service requests. Alongside these tools, we've built comprehensive training that empowers every merchant – regardless of budget, size or technical acumen – to accelerate their business with AI. To date, 65% of Rakuten Ichiba merchants have used the AI tools at least once and approximately 35% have integrated the tools into their daily operations.

As a global company with Japanese roots, we feel a sense of responsibility to build tools that help Japanese businesses grow with AI. That's why earlier this year, Rakuten Mobile launched a bold new service to empower corporate customers in Japan: Rakuten AI for Business. It's a powerful suite of tools that help Japanese companies large and small take advantage of generative AI across a range of business domains, from streamlining operations through tools that automate email drafting and meeting minute creation, translation and crafting reports, to conducting industry research and creating proposals that accelerate sales, to scaling marketing through AI-created copy and content, to serving as a collaborative coding, QA checker and partner for software engineers. We made the service affordable to ensure that the service is accessible to everyone.

For Rakuten Mobile users, Rakuten recently launched Link AI, a free AI chat service in the Rakuten Link app that makes the full power of generative AI accessible to anyone using Rakuten Link. The service is built right into the Rakuten Link app Rakuten mobile customers know and love – there's no new app to download, no new account to create and no new subscription fee. It's a perfect example of AI-nization in action.

We're also using AI to improve product discovery on our e-commerce platforms. This takes shape through three AI-powered services. The first is semantic search, a new tool that understands what customers mean, not just what they say. This dramatically improves search results and reduces "zero hit results" – a search with no relevant results returned – to nearly zero. Simply put, semantic search helps customers find what they need and want the first time.

The second is semantic recommendations. Leveraging the data and insights we've gleaned from trillions of ecosystem interactions and our deep understanding of each customer, we can hyper-personalize which products and services show up in a customer's feed. It's a helpful tool that can introduce customers to new options that they might not even know exist.

Finally, we are using AI to significantly improve the relevancy of ads, to make them useful and additive to the shopping experience, not distracting or disruptive.

The incorporation of AI across our e-commerce platforms is a win for everyone involved. Customers find what they need and want faster, merchants sell more and Rakuten drives more revenue. We're just getting started – look for these powerful AI experiences to roll out to more services this year.

Q How is Rakuten augmenting its own business operations with AI?

Inside Rakuten, our teams are already using AI at scale to augment their productivity. So far nearly all our 30,000+ employees have used Rakuten AI for Rakutenians – our in-house GenAI solution tailored to the needs of our global workforce – since launch, with over 13,000 employees using it every day.

AI is empowering them across a range of tasks, from helping them to write better code, to creating more compelling marketing content, to speeding and simplifying administrative tasks like drafting email and recapping meetings. For example, our sales teams leveraged Rakuten AI to reduce time spent on emails by 54% and time creating sales materials by 48%. The time they save on administrative overhead can be repurposed on higher value tasks, like forging meaningful relationships with customers.

Our E-commerce consultants (ECCs) spend their days with partners, helping them make the most out of selling across the Rakuten Ecosystem. Traditionally, route planning was manual and time consuming, meaning consultants were spending more time sitting at their desk mapping out where to go and when, and less time collaborating with partners. Using Rakuten AI for Rakutenians, the team coded a solution that handles route planning automatically. ECCs were provided better routes that matched them with better retailers, and internal planning teams cut their workload by 2/3. The team also programmed a chatbot that ECC's could use to help answer questions faster and more completely, boosting productivity and customer connection.

These are just a few examples of how Rakuten is embracing AI-nization inside the company. Beyond the obvious productivity and efficiency gains, Rakuten AI for Rakutenians also enables our engineering teams to harvest detailed, real-world feedback and data about how AI empowers employees and businesses that we can use to improve customer-facing solutions like Rakuten AI for Business.

Q

What is Rakuten doing to empower Japanese businesses and professionals with AI?

While Rakuten is a global innovation company, we remain deeply connected to our Japanese roots and founding mission to empower society through innovation. This is why this year we were so proud to unveil our first home-grown language models.

Our language model family began in March 2024, with the launch of Rakuten AI 7B, our first high-performance Japanese large language models (LLMs). Rakuten AI 7B boasted best-in-class performance among similarly sized open models at launch*. Building on the success of Rakuten AI 7B, we unveiled our new AI models optimized for Japanese speakers in December: Rakuten AI 2.0, the company's first Japanese LLM based on a Mixture of Experts architecture, and Rakuten AI 2.0 mini, our first small language model built from scratch. Like their predecessor 7B, both Rakuten AI 2.0 and 2.0 mini delivered best-in-class Japanese language performance.

Leveraging our unique position as a Japanese leader and wealth of market data, our models are trained in vast amounts of high-quality Japanese data, giving them the ability to capture the unique linguistic, aesthetic and cultural nuance of the Japanese language. They are Japanese models built by Japan's AI technology leader for other Japanese businesses, and we're proud to make them available as open models so every company and professional can put them to work immediately.

Q

What AI trends and innovations do you see emerging in the upcoming year?

We're on the cusp of a strategic shift in AI. The industry is exiting what I call "AI 1.0," which saw tremendous interest and investment in foundational-level AI technology like LLMs, data platforms and GPU tech, and entering "AI 2.0" which is less about the underlying technology and more about application-level implementations that solve business challenges.

The major innovation that's sparking this transition is the rise of AI agents. These new systems are defined by three core capabilities: The ability to perceive and understand, the ability to reason through options and make decisions through iterative planning, and the ability to act independently in the real-world using tools like web browsers. While agents may not fully complete tasks autonomously, they increasingly streamline workflows and enable humans to focus on final decision-making.

This technological evolution is driving a fundamental shift in online behavior. Notably, users are turning away from traditional search engines in favor of AI chatbots. Industry reports show that agent-powered conversational interfaces are increasingly becoming the default mode for knowledge discovery.

As search trends change and AI agents begin to browse and interpret the web, traditional SEO and SEM strategies must evolve. Websites will need to optimize not only for human users, but also for AI agents. Advertising models will also be disrupted. Ads designed for human interaction will now be consumed increasingly more by AI agents. In this future, advertising must integrate directly into AI-driven experiences, rather than relying on site-based impressions.

In e-commerce, as users adopt conversational AI for product discovery, a new competitive landscape is emerging – and Rakuten is well-positioned to capitalize on this shift and redefine the entry point for digital commerce from inspiration to actions. Our vast data assets and deep understanding of customer needs and behaviors uniquely position us to utilize AI for discovery search, better products and highly relevant advertising.

I'm excited about a future where AI transitions from a tool you use on-demand, to a partner that proactively collaborates with you 24/7. This is AI-nization – and Mickey's promise of *omotenashi* – coming to life for customers, partners and Rakutenians. We've already made incredible progress, and we're just getting started. I'm honored to be on this journey with everyone in the Rakuten family.

*Conducted internally by Rakuten from January to March 2024, with all evaluations performed in the same environment using the "LM Evaluation Harness" framework, a language model evaluation tool.

Sustainability

Sustainability Strategy

Vision 2030 and Rakuten Group's Sustainability Strategy

In 2022, Rakuten announced its medium- to long-term business management plan, Vision 2030, to advance further growth of the entire Group, with sustainability positioned as a key pillar for achieving its ambitious goals. Rakuten is driving its sustainability strategy through 10 ESG topics across three key areas. We have set specific visions and goals for each topic in 2023, targeting achievement by 2030. The Group Sustainability Committee oversees the implementation of this strategy and reports progress to the Board of Directors.

By accomplishing Vision 2030, Rakuten aims to attract diverse talent, meet diverse customer needs, and expand into new markets. We are committed to building a strong Rakuten Ecosystem that empowers companies and individuals in a sustainable society by upholding high ethical standards, mitigating ESG risks, and enhancing our reputation as a reliable partner.

For more details, click here
https://global.rakuten.com/corp/sustainability/strategy/

Focus areas

Growing with our employees
- ■ Diversity, Equity & Inclusion
- ■ Talent Attraction, Development & Retention
- ■ Responsible Labor Practices
- ■ Workplace Safety & Employee Wellness

Employees

Providing sustainable platforms & services
- ■ Sustainable Production & Consumption
- ■ Responsible Advertising, Marketing & Labelling
- ■ Internet Governance & Freedom of Speech

Partners & consumers

Addressing global challenges
- ■ Climate Change & Energy
- ■ Risk & Crisis Management
- ■ Innovation & Entrepreneurship

Society

Business foundations

Ethical business practices | **Information security & privacy** | **Product & service quality**

Growing with Our Employees

Rakuten is dedicated to fostering an environment that unlocks the potential of its talent and creating a safe, secure, and inclusive workplace to maintain its position as a global innovation leader. In 2024, we empowered our employees through mindset and skill development seminars hosted by inspiring female leaders from both Rakuten and the broader community. In the course of these initiatives, Rakuten achieved a 33% female management ratio, reaching its 2025 target one year ahead of schedule. To enhance employee engagement and well-being, we've set higher numerical targets based on thorough analysis of employee survey results. We are committed to implementing measures based on these insights to create a more employee-friendly work environment.

ESG Topics	Indicators	Results 2024	Targets 2025	Targets 2030
Diversity, Equity, Inclusion	Percentage of women in management positions*1	33%	33%	36%
Talent Acquisition, Development & Retention	Engagement score*1	83pt	84pt	87pt
Workplace Safety & Employee Wellness	Well-being score	52pt	53pt	58pt

*1 Scope: Rakuten Group, Inc.

Delivering Sustainable Platforms and Services

Rakuten's value chain includes approximately 2 billion users and numerous partners worldwide. While empowering partners and society through innovation, it is important to constantly address emerging risks and remain a reliable technology and services provider. In 2024, we formulated and published our AI Code of Ethics, as planned. Additionally, to address the risks of generative AI, we launched initiatives to develop AI Safety Guardrail technology and standardize AI safety testing. Through such initiatives, we are steadily moving towards achieving our goals for 2025 and beyond by providing innovative and sustainable services.

ESG Topic	Targets	Progress
Internet Governance & Freedom of Speech	Establish AI Code of Ethics by 2024	Achieved
	Establish a dedicated AI Safety & Security governance structure	
	Develop AI Safety & AI standard technology	Ongoing
	Develop AI Safety testing standard	Ongoing

Addressing Global Challenges

Innovation and entrepreneurship are at the core of Rakuten's corporate philosophy. We will leverage the synergies of our growing businesses and assets to solve pressing global challenges, including climate change. As climate action becomes a global priority, reducing greenhouse gas emissions can lead to a competitive advantage in business management. In 2023, our Group achieved carbon neutrality*2 in scope 1 and 2 emissions. In 2024, aligned with the Paris Agreement, we set greenhouse gas emission reduction targets including those from our supply chain. This commitment was validated by our achievement of SBT certification.

*2 Total of scope 1 emissions and scope 2 emissions with third-party verification obtained and estimated in accordance with the GHG Protocol.

ESG Topic	2023	2024
Climate Change and Energy	Carbon Neutral (scope 1 and 2)	SBT certification

Sustainability

Group CCuO Message

Our Corporate Culture: Driving Force to Shape Sustainable Future

A Voyage of Diversity and Sustainability

As Group Chief Culture Officer (CCuO), I am passionate about leading our corporate culture efforts, focusing on three critical areas: improving the physical and mental wellness of our employees, nurturing an organizational culture based on Rakuten's core values, and contributing to a sustainable future. I see a direct connection between these goals and Rakuten's original mission to empower regional communities and SMEs for the revitalization of the entire Japanese economy.

Rakuten has grown to offer over 70 services, from e-commerce and FinTech to mobile. Since we provide essential services like communication and payment solutions, our social responsibility has become even greater. As CCuO, I recognize the challenge of ensuring the sustainability of our diverse services and fulfilling our responsibilities, but I find this challenge exhilarating and full of opportunities for growth. Rakuten is also renowned for the diversity of its employees. As the Group embraces this diversity as a source of innovation, my role is to cultivate a cohesive team culture and ensure that all employees walk together, guided by the principles of Rakuten Shugi.

2024: Long-Term Goals and Collective Action

2024 presented challenges and uncertainties for many, with some companies even retreating from their climate commitments. However, for Rakuten, it marked a year of renewed dedication to societal contribution through the adoption of high-priority ESG goals targeting 2030. These goals were endorsed by the Board of Directors following the proposal of the Group Sustainability Committee, which I chaired.

It was a year not only focused on goal setting but also on achieving significant milestones, such as the adoption our AI Code of Ethics. In terms of employee engagement, we made strides by increasing participation in our Rakuten Culture Survey, gaining deeper insights into what drives our success as a team.

Speaking of success, I partially attribute the steady and substantial growth of Rakuten Mobile in 2024 to our employee engagement initiatives. Through the "Walk Together Project," we collectively participated in sales activities, demonstrating remarkable dedication to shaping the Group's future.

Rakuten's Path to Sustainability

Rakuten's business goals for 2030 prioritize sustainability, talent, and technology. As Group CCuO, I see these three areas as increasingly intertwined, making it even more critical to foster a healthy and productive work environment.

AI has advanced remarkably and now has the capability to assist in tasks that were traditionally human-driven, expanding the scope of what individuals can accomplish. The energy and time freed up by these advancements allow all our employees to explore new avenues for growth and enhance their focus on innovation. For example, AI is already employed to optimize product delivery routes and minimize electricity consumption within our mobile infrastructure.

Technology is no longer solely the domain of tech teams. We are proactively discussing the implications of "democratizing AI" within Rakuten – ensuring that we use it in a way that aligns with our mission, vision, and values, not just to generate efficiencies. Our dedication to innovation remains a cornerstone of Rakuten's culture, as we continue to drive a more sustainable and empowered society.

Masatada Kobayashi
Group Managing Executive Officer
Group CCuO (Chief Culture Officer)

Talent Management

For more details, click here
https://global.rakuten.com/corp/sustainability/employees/

The Rakuten Group is committed to attracting, developing, and supporting talented individuals to achieve its mission of contributing to society by creating value through innovation and entrepreneurship. By fostering an inclusive and motivating environment for diverse talent, Rakuten promotes organizational growth.

Hiring

Rakuten prioritizes building a strong mutual understanding with job seekers throughout the recruitment process.
We actively promote our company culture by publishing employee interviews on our recruitment website, showcasing our business operations, work environment, and career development opportunities. We also host various events and implement different programs to further enhance job seekers' understanding.

New Graduate Recruiting	Mid-career Recruiting
■ Internship Programs Offer hands-on experience and deeper understanding of Rakuten's culture. **■ Executive Leadership Seminar** An event where Rakuten executives discuss the company's philosophy and vision. In 2024, approximately 2,000 people participated in the event.	**■ Employee Referral Program** Fosters strong connections by deepening understanding of company culture, roles and responsibilities, and long-term career goals.

Development

Aiming to become a continuous learning organization, we foster an environment where employees can continually develop their skills. We focus on developing business, leadership, and digital skills tailored to individual roles and responsibilities. To build strong communication, we regularly conduct 1-on-1 meetings between managers and team members, consistently achieving a satisfaction rate exceeding 90%.

Examples of Training Programs

Onboarding	Provide new hires (both new grads and mid-career) and new evaluators with the essential information and knowledge to quickly integrate into their teams, organization and roles.
Business Essential	Provide employees with essential business skills including critical thinking, leadership and problem-solving.
Role-Based	Develop skills that enable employees to take on greater responsibilities and excel within the organization, including practical methods for applying Rakuten Shugi and conducting effective 1-on-1 meetings.
Data & AI	Train employees in prompt engineering for generative AI and data analysis fundamentals.
Diversity, Equity, Inclusion	Provide training on unconscious bias and develop mindset necessary for effective collaboration across diverse teams.
Culture & Language	Develop global business skills and mindset through TOEIC support, intercultural communication training, and inclusive leadership programs.
Self-Development	Empower employees to pursue self-directed learning through online training courses and the Rakuten Digital Library.

Retention

With increasing career options and work-style reforms, individual perspectives on work are changing dramatically. Consequently, various factors now influence employees' decisions to build long-term careers within a single organization. Rakuten fosters an attractive and healthy work environment by providing fair compensation, benefits, and flexible work styles, enhancing employee satisfaction and encouraging proactive career advancement. As a testament to our ongoing efforts, Rakuten's employee engagement score reached 83 points in 2024.

Enhancing Employee Retention

Recognizing the impact of mental wellness on employee well-being and productivity, as confirmed by previous surveys, Rakuten appointed certified psychologists as dedicated mental health supporters in 2024, providing employees with a confidential point of contact for mental health concerns and anxieties. We also conduct mental health training for new graduates, seminars on smooth workplace communication and accurate self-perception, and workshops designed to deepen self-understanding.

Fostering a Culture of Open Communication

We foster innovation and accelerate our global growth by creating an environment where diverse talents can thrive. The foundation for this is promoting diversity, equity, and inclusion (DEI). The Rakuten Group strives to be a workplace where different values and backgrounds are respected, and all employees can maximize their potential.

Diversity, Equity, Inclusion

As Rakuten expands globally, adopting English as the company's official language has enabled the recruitment of talented and diverse individuals from around the world. These individuals are the driving force behind our global business development. We turn our diversity into our strength and support the creation of the workplace where diverse talents can thrive, regardless of race, nationality, gender, marital status, presence of children, religion or political beliefs, age, disability, sexual orientation, gender identity, or other factors.

For our Group to grow together with our diverse employees, it is essential to not only standardize the language used within the company, but also for all employees to understand and share the values that underlie our corporate culture. We hold Rakuten Shugi Workshops for all employees to ensure they understand and can put Rakuten Shugi into practice, which is the Group's set of values and code of conduct. As of January 1, 2025, over 17,000 employees, representing 52.1% of the total workforce, have participated in these workshops.

Voice

Learning for Everyone

Improving Accessibility in Internal Training

As an employee with a visual impairment, I collaborate with various departments to promote accessibility within the company. This includes disseminating knowledge, facilitating experiential opportunities, and holding events to raise awareness. In 2024, we promoted the accessibility of educational content for employees by establishing and implementing accessibility guidelines. For example, image data used in content cannot be viewed by individuals with visual impairments. Therefore, we added "Alt text," which provides a textual description of the image content. Accessibility activities are often discussed by separating the perspectives of those requesting and those implementing solutions. However, our activities aim to create an opportunity for everyone to tackle the same issues together, regardless of ones status. I believe that by expanding opportunities for diverse individuals to take on challenges and create new synergies, we can create an environment at Rakuten where everyone can maximize their abilities.

Takeshi Shiigamoto
Rakuten Socio Business, Inc.
Technical Service Department
Group Manager

Survey on Rakuten's Corporate Culture

Rakuten has been conducting a survey since 2023 to examine the current state of its corporate culture. Specifically, we analyze the gap between employee expectations and experiences regarding key elements of our corporate culture, including "Mutual Commitment," "One Team," and "Self-Actualization," as well as seven elements that articulate Rakuten's unique corporate culture as Employee Value Propositions (EVPs).

Key elements	Definition	2024 Rate
Mutual Commitment	The degree to which you feel that you and Rakuten have a win-win relationship from the perspective of corporate culture.	54.3%
One Team	The degree to which you feel that you are creating synergy, innovation, and operations as One Team under a common philosophy and values.	55.6%
Self-Actualization	The degree to which you feel that you are becoming/are on your way to becoming the person you want to be by working at Rakuten.	49.1%

Sample size: 17,908 (response rate: 90.9%)

Employee Value Proposition

Rakuten's 7 Culture Elements that make our culture unique.

The Power of Our Ecosystem
Open Communication
Shared Purpose
Innovation Through Diversity
Limitless Opportunity
Continuous Growth
Social Impact

Topic

2024 Results

Influence in Addressing Social Challenges

The 2024 survey results revealed that a significant challenge lies in the large gap between employee expectations and experiences regarding the "Social Impact" theme among the seven EVP elements.

While there is a sense that Rakuten's various businesses are having a positive impact on society, some employees feel less of this impact in their own work. This trend is particularly prevalent among employees in support roles or internal-facing roles, where it is difficult to directly see the impact of their work on society.

To ensure that employees who support from behind the scenes are aware of the social impact of their work, we are considering and implementing specific measures from the individual to the organizational level. These include expanding the use of internal recognition tools that allow employees to send messages of gratitude and praise for daily contributions and visualizing and sharing the impact of each service on society as an easy-to-understand story.

Responsible Advertising, Marketing & Labelling

For more details, click here
https://global.rakuten.com/corp/sustainability/ethicalmarketing/

The Rakuten Group is responsible for accurately and appropriately delivering information to its users about the products and services it offers online. In recent years, people receiving this information in Japan has grown in diversity, driven notably by an increase in foreign workers and the aging population. It is therefore important to provide fair and reliable information that everyone can easily understand. To address this, Rakuten has developed internal standards and policies for creating and distributing advertisements and provides ongoing training for its employees. These efforts aim to ensure the production of fair and trustworthy advertising materials while promoting accessibility across digital platforms.

Commitment to Fair and Reliable Content

Rakuten's advertisements, which are distributed to a wide range of users across various services, are designed to eliminate discriminatory expressions or stereotypes based on religion, culture, gender, and other differences, and consider the needs of all users, including children and the elderly, with an inclusive approach. We avoid misleading exaggerations and ensures that all information shared is based on verified facts, as this is essential for responsible advertising. To uphold these principles, we have established internal guidelines that outline key considerations for user communication. These guidelines are applied across all services, including those of Group subsidiaries, and are actively promoted within the entire organization.

Topic 1

Governance Structure for Rakuten's Social Media Management

With over 70 services and a wide range of social media accounts under its management, Rakuten has established a robust governance structure to ensure risk management and maintain quality. At the core of this structure is the Social Media Marketing Group within the Group Marketing Department. This group plays a key role in ensuring that account managers use social media safely and effectively by clearly defining operational rules and appointing Social Media Managers for each business service. These managers oversee and approve posts before they are published, making the review and approval process mandatory.

Additionally, the group provides tailored advice based on the follower count and maturity of each account, shares insights on the latest social media trends and successful case studies from other companies, and works to improve the overall quality of operations. Efforts to strengthen risk management are also a priority, with regular seminars held to enhance the knowledge of account managers. By leveraging both internal and external expertise, Rakuten aims to improve the safety of its social media operations while fostering a system where individual accounts can operate independently yet remain interconnected. This approach enhances the overall value of the Rakuten Ecosystem. While each service operates its social media accounts based on its unique brand strategy and target audience, we place great importance on delivering a consistent "Rakuten identity" across all platforms. We will continue to focus on efficient and secure social media management, contributing to the trust and positive perception of the Rakuten brand.

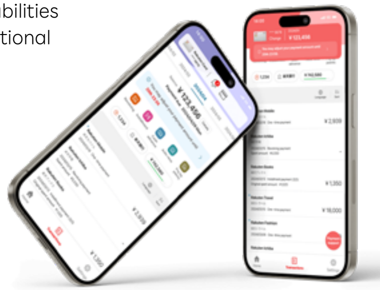
Creating Digital Experiences Accessible to Everyone

Accessibility refers to the state in which all individuals, regardless of physical conditions or abilities, can use and interact with digital platforms. At Rakuten, we are committed to ensuring accessibility across all digital touchpoints. To achieve this, we have set a goal to comply by 2030 with Level AA of the WCAG 2.1 guidelines, provided by the World Wide Web Consortium (W3C), a nonprofit organization dedicated to standardizing web technologies. To support this initiative, Rakuten collaborates with its special subsidiary company, Rakuten Socio Business, to develop UI components. These components are carefully reviewed during the design and UI development phases to ensure they are appropriately implemented across all digital touchpoints. Additionally, we use external code-checking tools and other resources to verify that accessibility is maintained from a functional perspective. These efforts are further informed by research conducted with users who have disabilities.

Topic 2

Multilingual Credit Card App: "Rakuten Card Lite"

Rakuten is actively promoting the multilingualization and digitalization of its diverse range of services. Since the launch of Rakuten Card in 2005, applications have been accepted exclusively online, reflecting the company's strong commitment to digital transformation. In 2010, we introduced the Rakuten Card App, the first app* in Japan's credit card industry designed for cardholders, aiming to enhance user convenience. In 2024, we took another step forward by releasing Rakuten Card Lite, an English app designed to meet the needs of an increasingly global user base. It allows users to check their credit card statements and modify payment methods in English, all through a simple and intuitive interface. Rakuten plans to expand the app's multilingual capabilities to include Simplified Chinese, Traditional Chinese, Korean, and other languages. Rakuten Card remains dedicated to providing more convenient and user-friendly financial services while promoting inclusivity and delivering services that cater to the needs of a diverse range of users.



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*Based on research by Rakuten Card, as of September 2010.

Internet Governance & Freedom of Speech

Responsible AI

For more details, click here
https://global.rakuten.com/corp/sustainability/ResponsibleAI/

The Rakuten Group utilizes AI (Artificial Intelligence) technology to deliver a wide range of internet-based services. The emergence of generative AI has made our lives even more convenient, but it also introduces risks such as privacy breaches, intellectual property infringement, as well as the spread of misinformation. To mitigate these risks, Rakuten is strengthening its governance framework by implementing ethical standards and technical implementations, ensuring that users can enjoy our services with confidence and peace of mind.

Responsible AI

At Rakuten, AI technology is used extensively across various businesses. To deliver safe and reliable internet services to all stakeholders while harnessing the benefits of AI, it is essential to establish a robust governance system. We are working to create a safe environment based on the following framework to ensure the responsible deployment of AI.

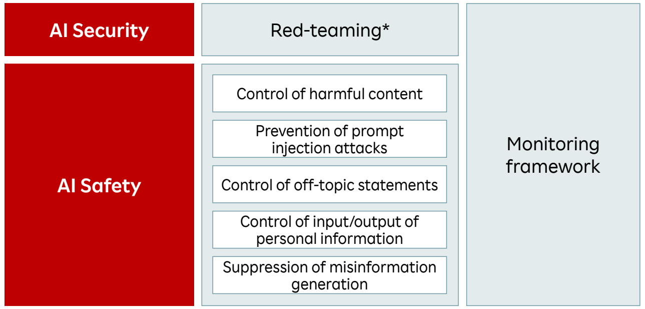
Responsible AI =
AI Code of Ethics + AI Governance

AI Code of Ethics and AI Usage Guidelines

In 2024, Rakuten formulated and published the AI Code of Ethics. This Code establishes ethical standards at each stage of AI development, operation and utilization, to provide users with highly reliable services. In addition to the AI Code of Ethics, we developed comprehensive usage guidelines for internal user to utilize AI in a fair, equitable and explainable manner, while respecting individual rights and privacy.

AI Safety & Security

With the rapid evolution of generative AI technology, ensuring the safety and security of AI-powered services has become an even more critical. For example, if a machine learning model is trained on inaccurate data, it may make inappropriate decisions or provide misleading information to customers. Additionally, AI-powered services are increasingly attractive targets for cyberattacks, making robust security measures essential.


AI Security
Red-teaming*
AI Safety
Control of harmful content
Prevention of prompt injection attacks
Control of off-topic statements
Control of input/output of personal information
Suppression of misinformation generation
Monitoring framework

Monitoring and Verification of Generative AI

To ensure the safety and quality of generative AI, Rakuten has introduced AI Safety Guardrail technology, which filters AI output to reduce the risk of inappropriate responses. In addition, we are developing a monitoring infrastructure and working to enhance the overall reliability of AI.

AI Education and Training

To enhance employee understanding and awareness of the ethical use of AI, we actively share information through presentations at weekly company-wide Asakai meetings, as well as via digital signage and posters in the office. We also conduct regular training on generative AI usage guidelines, which is a mandatory program for all Rakuten Group employees.

Voice

The Advancement of Generative AI Technology and the Importance of Cybersecurity

The rapid advancement of generative AI technology has brought new convenience to society, but it has also heightened cybersecurity threats. For example, prompt injection attacks - where malicious prompts lead to the leakage of restricted information or the malfunction of AI services - pose serious risk to companies and communities driving innovation through generative AI.

At Rakuten, we are strengthening cybersecurity measures specifically for generative AI. We have introduced AI Safety Guardrails and implemented Red Teaming* to proactively identify and address vulnerabilities. Real-time monitoring systems and simulated cyberattacks are also in place to asses our security resilience, enable safe development of services powered by generative AI. Within the company, more than 30,000 employees use our in-house AI tool, Rakuten AI for Rakutenians, to enhance work quality and efficiency while adhering to robust safety protocols. Notably, some teams have achieved a 48% reduction in document creation time and a 54% reduction in email creation time. Clear usage guidelines and thorough employee training ensure AI tools are used responsibly across various business units. Rakuten is committed to contributing to society through the power of AI technology, actively promoting AI safety and responsible AI use, and working toward a better, more secure future.

Yoshinari Fukumoto
Senior Executive Officer, Rakuten Group, Inc.
Function CISO, Director of Information Security Division

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*A process for testing the effectiveness of cybersecurity defenses

Sustainable Production & Consumption

Sustainable Supply Chain

For more details, click here.
https://global.rakuten.com/corp/sustainability/supplychain/

Providing platforms and services that support partners and users requires close collaboration with various stakeholders. For the Rakuten Ecosystem to truly contribute to the realization of a sustainable society, it is essential to pursue operational excellence. Reducing and mitigating ESG risks within the supply chain relies heavily on strong partnership and cooperation with suppliers.

Supplier Selection

The outsourcing of manufacturing, services, or business processes inherently involves transferring corporate responsibilities and reputational risks to external parties. Rakuten is committed to preventing any negative impact on all stakeholders - from consumers to contractors - and ensuring the sustainability of its supply chain. Under the leadership of the Group COO (Chief Operating Officer), the department in charge of procurement selects suppliers based on the following criteria:

Supplier Selection Standards

- **Financial stability** ▶ We ensure that our suppliers have sufficient financial stability. For example, we refer to information provided by external credit agencies.
- **Non-affiliation with anti-social forces** ▶ We confirm that our suppliers have no connections with anti-social forces or organizations.
- **Technical capability** ▶ Suppliers must possess the technical capability to deliver services of sufficient quality, including durability, stability, and information security measures.
- **Competitive conditions** ▶ We ensure that the conditions offered by our suppliers, such as service prices, delivery and quality are competitive compared to those offered by other vendors.
- **Fair and proper transactions** ▶ All transactions must be based on fair competition and adhere to proper business practices, including avoiding conflicts of interest and strictly prohibiting bribery.
- **Compliance with suspension criteria** ▶ Suppliers must not meet any criteria that would warrant the suspension of business relations.
- **Additional considerations** ▶ For some of our services, we may also take into account aspects related to human rights and environmental issues.

Supplier Surveys and Monitoring

All suppliers conducting business with Rakuten are required to adhere to the ESG requirements outlined in the "Sustainable Procurement Code of Conduct." Manufacturers of Rakuten-branded products and other key suppliers are subject to annual evaluations. Insights gained from these evaluations are shared with the Group Sustainability Committee, which then reports the findings to the Board of Directors.

Engaging with Suppliers

Explanation Sessions	Self-Answered Questionnaires	Audit	Feedback and Capacity-Building
To help suppliers understand Rakuten's expectations and the importance of sustainability in business operations, Rakuten holds explainer sessions on the "Sustainable Procurement Code of Conduct."	Suppliers are required to complete a questionnaire that covers various ESG requirements outlined in the Code of Conduct. They are also asked to sign a pledge agreeing to comply with Rakuten's policies.	Based on the results of the questionnaire and other factors, on-site audits are conducted for selected suppliers. These audits are carried out with the support of independent third parties and are guided by the "Validated Assessment Program" developed by the Responsible Business Alliance (RBA).	The results of the questionnaires and audits are shared with the suppliers. If significant non-compliance issues are identified, suppliers are required to develop and implement corrective action plans, with support from Rakuten as necessary.

2024 Initiatives and Results

In 2024, Rakuten identified a total of 171 Tier 1 key suppliers, along with 59 non-Tier 1 suppliers. Among these, 122 suppliers participated in Rakuten's explainer sessions, and 58 suppliers completed the questionnaire. The average score across all responses was 64%, maintaining the same level as in 2023. By topic, "Information Security and Privacy" achieved the highest score at 70.2%, while "Environmental Protection" had the lowest score at 49.9%. For non-compliance issues identified through on-site audits regarding the "Sustainable Procurement Code of Conduct," Rakuten worked closely with suppliers to develop improvement plans and monitored their progress. In 2025, Rakuten plans to further integrate sustainability into its procurement processes, in order to achieve its goals set as part of its sustainability strategy for the topic of sustainable production and consumption.

All Rakuten employees participate in sustainability-related e-learning at least once a year, covering topics such as human rights and environmental risks, particularly those related to the supply chain, as well as the policies addressing these risks. Employees involved in procurement received additional regular training in 2024 to ensure compliance with Rakuten's procurement processes, internal regulations, and relevant laws.

Rakuten's Human Rights Due Diligence

To uphold its "Group Human Rights Policy," Rakuten conducts human rights due diligence in alignment with the United Nations' "Guiding Principles on Business and Human Rights." Human rights due diligence refers to a corporate risk management process aimed at identifying, preventing, and mitigating risks related to human rights. This process consists of four key steps: identifying and assessing negative impacts on human rights, implementing measures to prevent or mitigate these impacts, tracking and verifying the effectiveness of these measures, and disclosing information and maintaining transparent communication. Rakuten's efforts related in supply chain management aim to reduce the salient risk "supplier labor standards."

For more details, click here.
https://global.rakuten.com/corp/sustainability/human-rights/

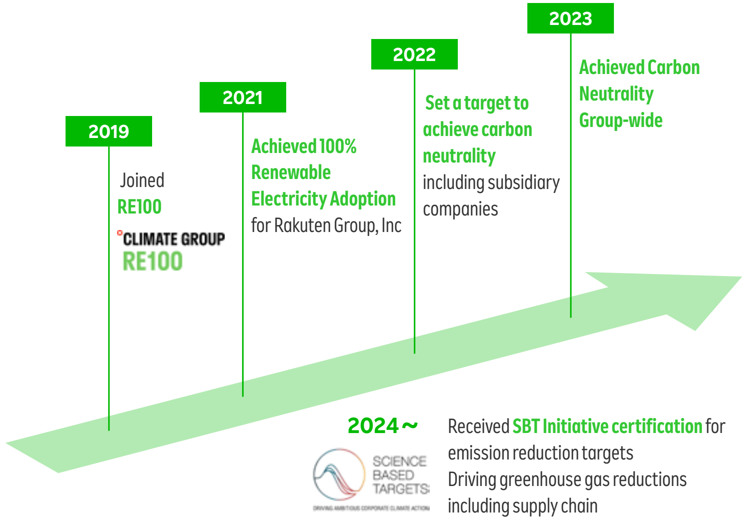
Climate Change

For more details, including the TCFD disclosure, click here
https://global.rakuten.com/corp/sustainability/climate/

The Rakuten Group is committed to building a sustainable society by proactively minimizing our environmental footprint. We envision a future where making sustainable choices is easy, thanks to environmentally conscious products and services from the Rakuten Ecosystem.

Rakuten has been accelerating its efforts to combat climate change since 2019. In 2023, we achieved carbon neutrality[*1] (scope 1 & 2) across our entire Group's business operations. In 2024, we set greenhouse gas emission reduction targets covering our entire supply chain, which have been certified by the Science Based Targets initiative (SBTi). SBTi is an organization that helps companies set emission reduction targets based on the latest climate science and this certification confirms our targets are aligned with the Paris Agreement.

Rakuten Group's Roadmap to Reducing Greenhouse Gas Emissions


2019
Joined
RE100
CLIMATE GROUP
RE100
2021
Achieved 100% Renewable Electricity Adoption
for Rakuten Group, Inc
2022
Set a target to achieve carbon neutrality
including subsidiary companies
2023
Achieved Carbon Neutrality Group-wide
2024～
SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
Received SBT Initiative certification for emission reduction targets
Driving greenhouse gas reductions including supply chain

*1 Calculated in accordance with the GHG Protocol. Emissions remaining after reductions in energy consumption were addressed through carbon offsetting.

Metrics		Targets
Scope 1	Direct greenhouse gas emissions	• Absolute emissions by 99.7% from 2022 levels by 2032
Scope 2	Indirect greenhouse gas emissions from purchased electricity, heat, and steam	
Scope 3[*2]	Other indirect greenhouse gas emissions	• Absolute emissions by 30.0% from 2022 levels by 2032 • Reduce scope 3 emissions from all sold electricity 76.8% per MWh from 2022 levels by 2032

*2 The targets cover emissions calculated in accordance with the GHG Protocol, with the exception of scope 3 category 15.

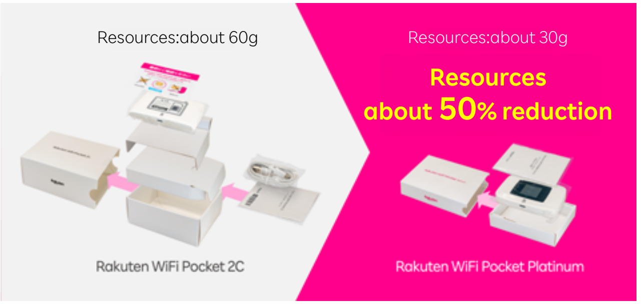
Reducing Greenhouse Gas Emissions from Own Operations

Since 2024, we have leveraged AI and machine learning to improve efficiency in our mobile network, which accounts for a significant portion of our power consumption. Tests have confirmed potential power reductions of up to 20%, and we plan to roll this technology out across Rakuten Mobile's commercial network starting in 2025. Rakuten Group,inc. is a member of RE100, a global initiative committed to 100% renewable energy, and we have consistently achieved our goal of powering our business operations with 100% renewable energy since 2021[*3].

*3 Achieved through the use of "FIT Non-Fossil Certificates" which verify the renewable energy attributes.

Reducing Greenhouse Gas Emissions Across Our Supply Chain

Recognizing that most of our supply chain emissions occur upstream, we are developing a strategy focused on reducing these emissions. For example, in 2024, Rakuten Mobile redesigned the packaging for its Rakuten WiFi ® Pocket Platinum router, cutting the packaging material in half.


Resources:about 60g
Rakuten WiFi Pocket 2C
Resources:about 30g
Resources about 50% reduction
Rakuten WiFi Pocket Platinum

A Sustainable Future Through Our Services

Rakuten provides services that enable users to achieve a sustainable lifestyles. We offer services like Earth Mall with Rakuten, an online shopping mall and media platform that recommends sustainable shopping options, and in 2024, we launched a special page featuring products with "Decarbo Scores" from Earth hacks, showing CO₂ emission reductions at a glance. By encouraging circular economy participation through the Rakuma community marketplace app and promoting responsible travel with Rakuten Travel, we aim to realize a future where sustainable choices come naturally.

Group CCO Message

Growth and Ethics in Tandem: Rakuten's Commitment to Societal Trust

Tomotaka Torin
Group Managing Executive Officer
Group Chief Compliance Officer*

*March 2025

As the Chief Compliance Officer of the Rakuten Group, I am responsible for strengthening our governance, risk management, and compliance systems across the entire Group, working in collaboration with compliance officers and other personnel appointed in each business entity. Rakuten has operations in 30 countries and regions, providing over 70 diverse services to approximately 2 billion users worldwide. With such a broad business portfolio, establishing a comprehensive risk management system and ensuring compliance are extremely important challenges.

Q How do you manage risks across such a diverse range of businesses?

We have established a system for identifying and evaluating risks unique to each business area that the Group operates globally. When identifying and evaluating risks, we have adopted a comprehensive approach, taking into consideration both the risks recognized by management and at the operational level by each business and the Group. We also examine the risks from multiple perspectives, taking into consideration risks unique to Japan and those inherent to operating globally, to identify Rakuten's top risks. We then formulate risk response strategies to prevent these top risks including geopolitical, legal and regulatory, and natural disaster risks, mitigate damage if they materialize, and monitor the implementation of these strategies.

In addition, Rakuten considers legal compliance an important corporate responsibility and promotes Group-wide initiatives. Specifically, in the Rakuten Group Regulations, common rules for our Group, we clearly define the compliance responsibilities of management and employees and the compliance elements that we are expected to uphold as a company, and repeatedly conduct training and awareness activities. For important risks, we further conduct compliance monitoring and use the results to drive improvement.

The risk management system and compliance status of our entire Group are regularly reported to the Group Risk and Compliance Committee and the Board of Directors, ensuring management oversight and continuous improvement. Through these efforts, we aim to enhance business stability and corporate value.

Q What are Rakuten's initiatives for building trust in the AI era?

Rakuten is promoting AI internally through an efficiency improvement project called the "Triple 20." We also provide various tools for external stakeholders through our services to realize an optimal experience tailored to the needs of each user. While AI contributes to convenience, its use involves legal and ethical risks such as personal information leakage, intellectual property infringement, violation of contracts with third parties, and promotion of racial or gender discrimination. To appropriately address these risks, Rakuten has established a system in which data are used properly through cooperation between departments developing and utilizing AI and specialized departments such as information security, legal, and intellectual property. Specifically, we have established checklists for internal usage of generative AI and the provision process and proper use of external services, and mandated prior review by each specialized department. In providing services using AI, we strive to achieve both convenience and safety, and provide valuable experiences to all users.

Q How do you respond to the uncertainties of the future?

Since its founding in 1997, Rakuten has achieved rapid growth by believing in the power of innovation and maintaining speed and a willingness to constantly challenge ourselves to respond quickly to changes in the external environment and the market. This entrepreneurial spirit and emphasis on the speed, which are central to Rakuten's corporate culture, require a high level of risk management and compliance systems to support them.

In terms of risk management, to achieve the goals set forth in Rakuten's Vision 2030, we need to accurately identify the risks that will affect the achievement of business goals in the next 3 to 5 years and take measures to avoid the materialization of these risks and minimize the impact when they materialize. Specifically, we need to strengthen our system for comprehensively managing a wide range of risks, including geopolitical, natural disaster, and cybersecurity risks, and risks associated with the rapid advancement of new technologies. This includes implementing concrete measures such as reviewing business continuity plans, introducing the latest technologies, and strengthening our legal and compliance systems. Our risk management vision for Rakuten is to position environmental changes, such as the introduction of the latest technologies and responses to legal revisions, not merely as threats, but as important elements for enhancing corporate value, and to promote company-wide risk management.

Regarding compliance, we believe that it is our responsibility to not only comply with laws and regulations, but also to deeply embed a high sense of ethics in our business operations as part of Rakuten's corporate culture. In recent years, the importance of compliance in companies has been increasing, and at Rakuten, we strongly recognize that even a single compliance violation can have a very significant impact on our users and society. By instilling and embodying the spirit of "Compliance is in the Details," which emphasizes that the accumulation of small actions is the first step in preventing major compliance violations, we will further strengthen our foundation as a company trusted by society.

Risk and Crisis Management

For more details, click here
https://global.rakuten.com/corp/sustainability/risk/

Rakuten Group's global footprint presents a diverse spectrum of risks. Our robust management system enables us to swiftly and accurately identify these risks and implement effective countermeasures.

ERM: Enterprise Risk Management

At Rakuten, we manage risks across the entire Group in an integrated manner through a cycle of identifying and assessing risks, formulating and implementing countermeasures based on their importance, and monitoring the results. This process increases the certainty of achieving our management goals. We have defined Group Top Risks, which could significantly impact the Group's business activities, and Emerging Risks, which have the potential to significantly impact the Group due to medium- to long-term environmental changes. We implement responses and monitoring for each. Additionally, to improve the level of ERM activities across the entire Group, we evaluated the maturity and effectiveness of our risk management. This enabled us to objectively assess the current state of ERM activities in each business and clarify directions for improvement.

Incident Management

In the event of an incident, we evaluate the type of incident and the degree of impact in terms of damage, business continuity, and reputation, and clearly define reporting procedures and response measures. In 2024, we improved the Group's incident management system by reviewing our overseas offices' systems, identifying issues, and analyzing incident causes to prevent incidents from occurring or recurring. In addition, with our Group promoting AI utilization, we are enhancing our ability to respond to new risks associated with the rapid advancement of technologies by developing countermeasures with stakeholders against incidents related to AI risks.

Examples of Risks Identified in 2024

Examples of Major Risks and Their Response Status

Risk items	Overview	Responses
Risks related to AI ethics	Insufficient protection of personal information and privacy in collected data, or biased results from training data, could lead to a loss of trust in the Group and significantly impact business and operating results.	Implementing various measures, such as establishing guidelines for AI usage and conducting training for employees.

Examples of Emerging Risks and Their Response Status

Risk items	Overview	Responses
Geopolitical risks	Military conflicts or blockades in neighboring countries could significantly disrupt political and economic stability and supply chains, leading to revenue and market share loss and threatening employee safety.	Preparing for emergencies by considering diversification of suppliers and formulating and implementing business continuity plans (BCP) and training in the regions.
Rapid development of new technologies	A lack of proactive adaptation to cutting-edge technologies, resulting in uncontrollable systems or ineffective data protection and subsequent information leaks, could erode trust in the Group and significantly impact our business and operating results.	Similar to our approach with generative AI, we are implementing measures, such as guidelines and employee training, to understand and address the risks of new technologies.

BCM: Business Continuity Management

Rakuten implements BCM, predetermining business continuity methods to minimize damage to assets and ensure the continuation or early recovery of core businesses during emergencies. In 2024, we strengthened our global cooperation system, both domestically and internationally, by improving our business continuity management system and enhancing training exercises focused on large-scale natural disasters and geopolitical risks. In Japan, to ensure business continuity, we are promoting headquarters function redundancy and developing a system that enables information gathering and decision-making even in the event that a major earthquake impacts the Tokyo metropolitan area, disrupting its social functions. Overseas, we conduct initial response training for specific emergency situations, and the entire Group collaborates to prepare for unforeseen circumstances.

Fostering a Risk Management Culture

Effective risk management requires all employees to recognize the risks affecting management. Aligned with Vision 2030, our medium-to-long-term plan, we aim to foster a company-wide risk management culture by setting goals for risk and crisis management, strengthening preparedness, and achieving stable business management. Additionally, we conduct risk management training for all employees to deepen their understanding of unexpected risk scenarios and incidents that could lead to business interruption. The company-wide all-hands *Asakai* meetings also provide a regular opportunity to share the latest information on important risks, including ethics and compliance, and information security.

Innovation and Entrepreneurship

Innovation is at the heart of Rakuten's mission and a key driver of societal progress. By leveraging our Group synergies, Rakuten promotes investments aimed at sustainable growth, creating social value that extends beyond financial support. We are committed to fostering a culture that nurtures entrepreneurship and empowers employees to proactively drive change.

Creating Future Value Through Investment

Rakuten aims to enhance corporate value and maximize Group synergies through strategic investments in diverse projects and companies. We contribute to creating social value by investing in businesses and companies addressing societal issues, including our Group company's drone applications, and external companies focused on cancer treatment or advanced recycling technologies.

Rakuten's investment decisions are based on a comprehensive evaluation of financial health, corporate culture and mission, and social and environmental risks. To ensure responsible investing, sustainability criteria have been integrated into our decision-making process since 2024.

These sustainability criteria were introduced through cross-departmental discussions and with reference to international standards and risk management frameworks. Beyond risk management, we evaluate projects for their contribution to society and the environment, prioritizing long-term social value over short-term returns. This initiative, based on Rakuten's sustainability strategy, is implemented in the Investment Committee, which advises on investment projects, supporting Rakuten's commitment to fostering innovation.

Additionally, we review these standards as necessary to respond to evolving social issues and stakeholder expectations. Through continuous improvement, Rakuten aims to create sustainable value through more impactful investments.

Fostering Entrepreneurship Since the Founding

Since 2017, Rakuten has implemented R-Pitch, a new business incubation program designed to cultivate employee entrepreneurship. Employees with shared aspirations form teams and refine business plans with mentoring from management and lectures to develop innovative ideas. The final evaluation process includes a formal pitch to the management team, including the CEO, with PoC funding considered for commercialization. Approved plans will advance to new business development and the full-scale launch. In 2024, the program, themed "Innovation through AI," achieved record participation with 1,178 employees and 110 competing teams.

Voice

Creating a Workplace Where Learning Leads to Action

The project was meticulously designed to cultivate entrepreneurship, providing participants with practical learning opportunities. Participants gained valuable insights through a forum where those who successfully launched their business shared their experiences. We incorporated essential entrepreneurial elements into the judging criteria and implemented a multi-stage gate system. This structure enables participants to refine ideas and develop the specific perspectives and skills needed at each stage. To further increase its awareness, we strengthened internal PR activities and invited broad employee participation through information sessions and internal events. We also launched a dedicated portal for continuous learning with 24/7 access to archived seminars and event videos. We aim for this program to generate new challenges that shape Rakuten's future.

Daisuke Miyamoto
Commerce & Marketing Company
Incubation Development Section
Manager

Section 5

CORPORATE GOVERNANCE

Our corporate mission since founding is based on the empowerment of individuals and society through innovation and entrepreneurship. We contribute to social innovation and enrichment by boosting the growth of as many people as possible, while providing services that ensure a high standard of satisfaction for both users and partner enterprises. We aim to maximize the corporate value and shareholder value of the Group with the vision of continuing to be a Global Innovation Company.

Interview with Outside Director

Tsedal Neeley

Outside Director

Positions Held or Career Summary

Outside Director of The Partnership, Inc.
Naylor Fitzhugh Professor of Business Administration of Harvard Business School
Outside Director of Brown Capital Management, LLC
Senior Associate Dean for Faculty Development and Research of Harvard Business School
Faculty Chair of the Christensen for Teaching and Learning of Harvard Business School

Q How would you describe the atmosphere of Rakuten Group's Board of Directors? How do you evaluate the decision-making process of the Board?

The atmosphere of Rakuten Group's Board is both highly engaged and strategically forward-looking. There is a strong spirit of collaboration, balanced with healthy exchanges and rigorous oversight. Decisions are made with a clear focus on long-term value creation, and discussions are grounded in data, market insight, and a shared commitment to innovation. The Board benefits from a diverse mix of expertise—including technology, global business, and governance—which ensures a multidimensional approach to key decisions.

Q In companies where the founder-owner serves as the representative, how should outside directors and outside auditors exercise their oversight functions?

Founder-led companies often benefit from a clear vision, entrepreneurial drive, and long-term commitment. In these environments, outside directors and auditors help bring balance. Our responsibility is to support bold innovation and strategic risk-taking as well as bring independence, transparency, and structured challenge to the boardroom.

At Rakuten, we take this role seriously. As outside directors, we contribute perspectives informed by global experience and exposure to advancements across industries and geographies. This helps broaden thinking and supports the Board in making decisions that are not only visionary but grounded in strong governance and best practices. Our goal is to be thoughtful partners while upholding high standards of accountability, stakeholder trust, and sustainable growth.

Q Thoughts on Rakuten's Englishnization initiative and its current effectiveness 15 years on?

Rakuten's Englishnization initiative stands as one of the boldest and most transformative mandates in the company's history. Declared in 2010, it fundamentally reshaped the organization by opening doors to world-class talent outside of Japan, accelerating cross-border collaboration, and positioning Rakuten to serve over 1.9 billion users globally.

Fifteen years on, its impact is deeply embedded in how Rakuten operates. It has enabled seamless communication across geographies, fostered a culture of agility, inclusivity, and "change fitness"—essential characteristics for a truly global brand. Englishnization has become a critical foundation for Rakuten's innovation, global growth, and digital and AI journey.

Q

What are your views on Rakuten's utilization of AI? And thoughts on Rakuten's global expansion?

AI represents one of the most transformative forces of our time, and Rakuten is well-positioned to lead in this space. With its ecosystem of services and wealth of data across commerce, FinTech, mobile, and content, Rakuten has a unique opportunity to build AI solutions that deliver real value to users. What's encouraging is not only Rakuten's investment in AI but its ability to move quickly—from research to deployment—while staying attuned to ethical considerations and user trust.

In terms of global expansion, Rakuten continues to make bold moves, and the lessons learned from different markets—whether through success or challenge—only strengthen its global capabilities. The company's brand, technology backbone, and commitment to innovation remain key differentiators.

Q

Other challenges or expectations for Rakuten's future growth, including ESG-related issues?

Like all global companies, Rakuten must navigate a dynamic regulatory environment, responsible AI, and growing expectations around sustainability. I see these not as challenges but as opportunities. Rakuten as it always had, can lead by example—whether through sustainable business practices, data privacy leadership, or inclusive innovation. ESG is increasingly a driver of long-term value, and I believe Rakuten's integrated Ecosystem model is well-suited to create both economic and social impact.

Q

What kind of positive impact do you hope Rakuten Group will have on society in the future?

I hope Rakuten continues to be a force for positive change, using its platforms to empower businesses, democratize access to digital tools, and create meaningful customer experiences. In an AI-driven world, Rakuten has the potential to show what *responsible* innovation looks like: balancing speed with trust, growth with sustainability.

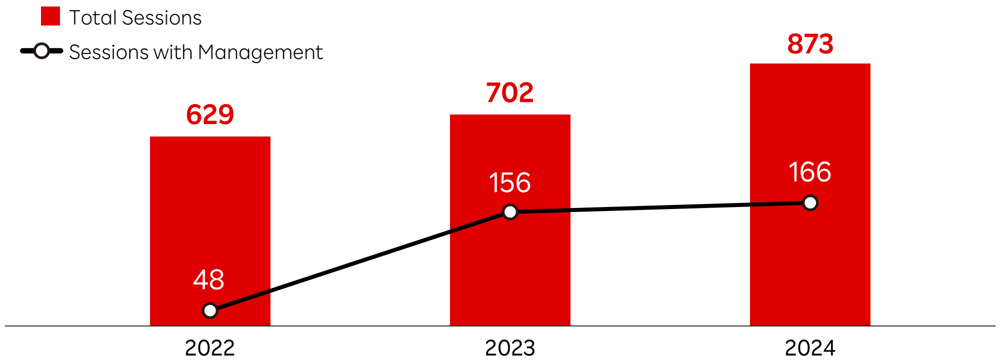
Q

Message for shareholders?

Rakuten stands at an exciting inflection point. With its strong leadership, bold vision, and deep commitment to innovation, I am optimistic about the road ahead. Thank you for your continued trust and support.

Responsible Dialogue with Stakeholders

Dialogue History



*Sessions with management are the number of sessions attended by management, including executive officers and higher, such as the President and CEO.

Feedback to the Company

Reporting Method	Frequency	Recipient(s)
Report to Board of Directors Meetings	4 times a year	Board Members
Report to Management Meetings	2 times a year	Executives, Board Members (including external directors)
Publication of IR reports	Weekly	Executives, Board members (including external directors), etc.
Report by the Executive in charge	Monthly	CEO
Information sharing meetings with business units	Quarterly	Business departments and executives in charge
Internal IR Sessions	Quarterly, after Earnings Announcement	All employees working in Japan

Main Dialogue Themes

Business Performance	▨ Progress toward making Rakuten Mobile profitable ▨ Initiatives to grow and improve profitability of the domestic EC business
Management Strategy	▨ Progress of the Triple 20 goals ▨ Expansion of the Rakuten Ecosystem ▨ Synergies between Rakuten Mobile and other businesses
Business Strategy	▨ Measures to increase Rakuten Mobile subscribers and ARPU ▨ Initiatives to improve the performance of unprofitable businesses ▨ Growth strategies for EC and FinTech businesses
Financial Strategy	▨ Establishing self-funding ▨ Initiatives to maintain mid-term financial soundness
ESG/Sustainability	▨ Acquisition of SBTi certification and targets ▨ Corporate governance

Measures Implemented Based on Stakeholder Dialogue

Enhanced disclosure

Holding briefings for individual investors

Increased opportunities for dialogue between CEO and foreign investors

Commitment to achieving performance goals

Corporate Governance

Basic Structure of Corporate Governance and Reasons for Adoption

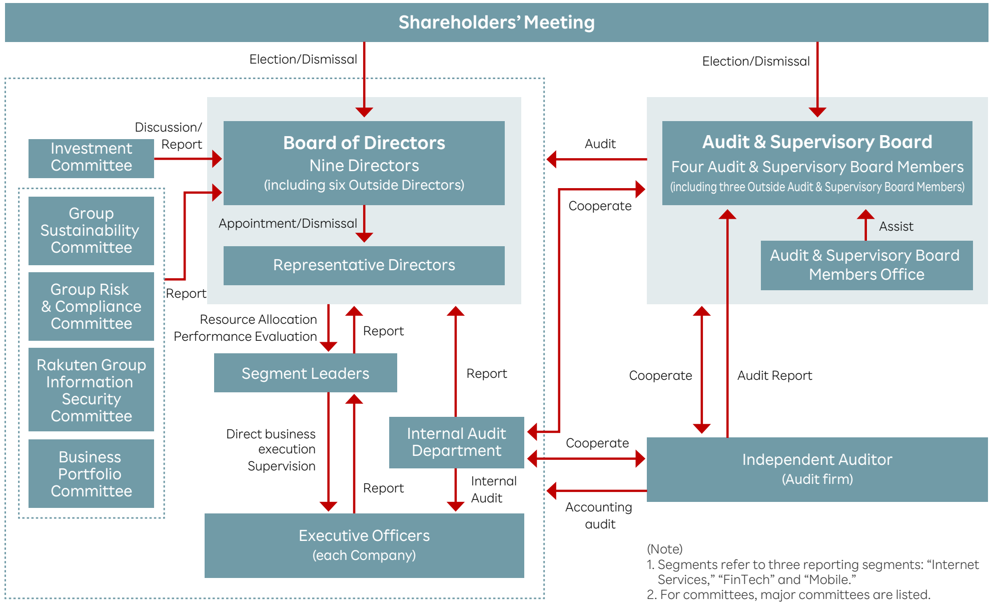
The Company has adopted a Audit & Supervisory Board corporate structure, in which highly independent Audit & Supervisory Board Members provide auditing functions in order to improve the transparency of the Company's management and ensure best practice, efficiency, fairness, and integrity. The Company has supervised management through an Audit & Supervisory Board, where a majority of the members are Outside Audit & Supervisory Board Members. Additionally, to separate the supervisory and executive roles of management, the Company has adopted an Executive Officer System in which the Board retains responsibility for management decision-making and supervision, while Executive Officers are responsible for executive functions.

The Company's Board of Directors, which includes Outside Directors who are highly independent experts from a variety of fields, supervises the execution of business from an objective perspective and engages in informal and multilateral discussions on management. Furthermore, the Company holds meetings, where debates are held about Group management strategy and other relevant matters. All Officers, including Outside Officers, attend these discussions which are separate, in principle, from the meetings of the Board of Directors. Participants discuss matters from a medium- to long-term perspective rather than confining themselves to short-term issues or items discussed at the meetings of the Board of Directors, thereby enhancing the effectiveness of corporate governance.

In addition, we have introduced an internal Company System to ensure agile business execution and clear accountability.

Through such efforts, Rakuten Group will continue to build a management structure with more highly effective governance functions that enables swift management decisions.

Corporate Governance Structure


Shareholders' Meeting
Election/Dismissal
Election/Dismissal
Discussion/
Report
Investment Committee
Board of Directors
Nine Directors
(including six Outside Directors)
Audit
Audit & Supervisory Board
Four Audit & Supervisory Board Members
(including three Outside Audit & Supervisory Board Members)
Cooperate
Group Sustainability Committee
Appointment/Dismissal
Assist
Representative Directors
Audit & Supervisory Board Members Office
Group Risk & Compliance Committee
Report
Resource Allocation
Performance Evaluation
Report
Segment Leaders
Report
Cooperate
Audit Report
Rakuten Group Information Security Committee
Direct business execution
Supervision
Internal Audit Department
Cooperate
Independent Auditor
(Audit firm)
Business Portfolio Committee
Report
Internal Audit
Accounting audit
Executive Officers
(each Company)

(Note)
1. Segments refer to three reporting segments: "Internet Services," "FinTech" and "Mobile."
2. For committees, major committees are listed.

Committee	Objective and Main Discussions	Number of meetings in FY2024
Board of Directors	The Board of Directors holds regular meetings, as well as special meetings as required, for the purpose of enhancing medium- to long-term corporate value and shareholder value. Within these meetings, Directors make decisions on important management matters, which are under the authority of the Board of Directors and supervise the business execution of each Executive Officer.	13
Audit & Supervisory Board	The purpose of the Audit & Supervisory Board is to receive reports, hold discussions, and make decisions regarding important audit related matters. The Company has supervised management through an Audit & Supervisory Board, where a majority of the members are Outside Audit & Supervisory Board Members.	12
Investment Committee	For any case that requires new capital expenditure including any investment, members, including external experts, of the Investment Committee hold a preliminary deliberate on whether the case should proceed or not. The result of such deliberation shall be reported to the Board of Directors. For each of the Company's diverse investments the Investment Committee must verify the hurdle rate determined within the Company, its contribution to the Ecosystem, and the business plans and corporate value of the investee during deliberation on whether the investment should proceed. Committee members also conduct regular verification of the investment after acquisition of the shares and reports on its progress and outcomes to the Investment Committee.	10
Group Sustainability Committee	In November 2021, we established a group-wide Sustainability Committee consisting of domestic and overseas management to accelerate efforts to address key issues in the Group's sustainability strategy. Furthermore, to address issues that require long-term discussion across the organization, we have also established the Environment Subcommittee, Human Rights Subcommittee, and Diversity, Equity & Inclusion Subcommittee. Each subcommittee conducts more specific deliberations, such as grasping the current situation and formulating, proposing, and implementing measures to address issues. At the Sustainability Committee, resolutions are made on proposals from each subcommittee, confirmation of the status and progress of initiatives toward goals, incorporation into business strategies, and discussion of compliance with international guidelines and laws and regulations are reported to the directors on a regular basis.	2
	Past main theme Group Sustainability Committee · Sustainability strategy goal setting, etc. Environment Subcommittee · Climate change · Natural resources, etc. Human Rights Subcommittee · Respect for human rights in the supply chain · Human rights of employees, etc. Diversity, Equity & Inclusion Subcommittee · ESG Assessment Results for DEI, etc.	
Group Risk and Compliance Committee	The Group Risk and Compliance Committee identifies risks related to laws and regulations that may hinder the realization of management strategy, promotes effective compliance across the Group, and reports and discusses efforts related to program initiatives. Additionally, the main topics discussed by the committee are reported to management through important meetings, and the status of particularly important risks is reported to management at meetings of the Company's Board of Directors and other important meetings.	4
Group Information Security and Privacy Committee	In addition to deliberating and approving policies and important matters in group information security and privacy for the entire group, we are building a governance structure to maintain information security for the entire group and have a system in place for reporting and making decisions on major measures and incidents that occurred during the period.	12
Business Portfolio Committee	The Business Portfolio Committee has been established to optimize the business portfolio from the perspective of growth, profitability, and contribution to the Rakuten Ecosystem.	12

Selection Policy for Director Candidates

The Company selects candidates for Directors who embody the Company's corporate philosophy at a high level and who have high potential to contribute to further development of the Group. By making each Director's term of office one year, the Company upholds the principle of reflecting the will of its shareholders.

In particular, the Board of Directors of the Company selects persons who have extensive experience from a global perspective, professional knowledge, and are able to play a leading role in areas such as IT, finance, corporate management, legal and risk management, financial accounting, public administration, and consulting, and who are capable of appropriately guiding and supervising the execution of business at Rakuten Group.

Expertise and Experience of Directors and Audit & Supervisory Board Members (Skills Matrix)

Job title	Name	IT	Finance	Corporate Management	Legal & Risk Management	Finance & Accounting	Global Experience
Director	Hiroshi Mikitani	●	●	●			●
Director	Kentaro Hyakuno	●		●	●		●
Director	Kenji Hirose	●	●	●		●	●
Outside Director	Takaharu Ando				●		●
Outside Director	Sarah J. M. Whitley		●				●
Outside Director	Tsedal Neeley	●					●
Outside Director	Charles B. Baxter	●		●			●
Outside Director	Shigeki Habuka		●			●	
Outside Director	Takashi Mitachi			●			●
Audit & Supervisory Board Member	Yoshito Naganuma		●			●	
Outside Audit & Supervisory Board Member	Futoshi Nakamura				●	●	●
Outside Audit & Supervisory Board Member	Maki Kataoka				●	●	●
Outside Audit & Supervisory Board Member	Katsuyuki Yamaguchi				●		●

(As of April 1, 2025)

Evaluation about Effectiveness of the Board of Directors

The Company analyzes and evaluates the effectiveness of the Board of Directors overall, with the aim of ensuring its continued effectiveness and improvement of its functions.

1. Content of Implementation

- **Evaluation period:** December 13, 2024 to January 7, 2025
- **Evaluators:** Directors and auditors (total of 16 individuals)
- **Methodology:** Questionnaires. The questionnaire included both questions and spaces for free-for text responses. Following the survey, strategies for improving effectiveness are reported to the Board of Directors.
- **Overview:** Matters related to decisions on management strategy, decisions on important business execution, and deliberations by the Board of Directors, etc.

2. Tasks in Fiscal Year 2023 and the status of initiatives in Fiscal Year 2024

In response to the effectiveness evaluation results of fiscal year 2023, the measures taken to further improve effectiveness have generally achieved successful outcomes.

Tasks in 2023	Status of initiatives in Fiscal Year 2024
1. Creating opportunities to deepen discussions on key topics	· In addition to the Board of Directors meetings, continuous debriefing opportunities with directors were organized to deepen understanding and enhance the quality of discussion for important topics such as medium- to long-term management plans and financial strategies. · In meetings concerning group management strategies, the agenda structure and other methodology was improved and actions taken to continuously improve and broaden discussions.
2. Re-evaluating guidelines for material and presentation	· The Company contributed to effective discussions and prompt decision-making by improving the structure of material for the Board of Directors meeting, ensuring they were clear and concise, and by providing high-quality information.

3. Analysis and evaluation results

The Company confirmed that the Company's Board of Directors has made improvements and is highly effective as described above. At the same time, a desire for further improvement of effectiveness was also identified.

(1) The Board confirmed its intention to further discuss critical issues such as business portfolio optimization and overseas businesses, etc.

(2) While sufficient reports have been had on themes such as corporate governance and cyber security, the Board confirmed its intention that these should be proposed as regular agenda in the future.

(3) Regarding the items to the Board of Directors, the content and volume of resolution matters were deemed appropriate. It is expected that the Board will continue to function effectively by optimizing the structure of materials. Additionally, the Board confirmed its intention for earlier sharing of information.

(4) The Board evaluated that the Chairperson's thoughtful moderation encourages the engagement of Board members.

4. Measures to improve effectiveness

Based on the results of the evaluation about the effectiveness of the Board of Directors, the Company will strive to further enhance deliberations and improve effectiveness of the Board of Directors by taking the following measures.

(1) Prior to Board of Directors meetings, the Company will provide discussion opportunities for comprehensive deliberation by sharing an overview and the key issues of upcoming agenda items with Board members in advance.
(2) The Company will create opportunities to further enhance discussions on topics of high interest to outside Board members, such as business portfolio optimization and overseas businesses, etc.
(3) To enable accurate and prompt decision-making at the Board of Directors meetings, the Company will promote the clarification of material. This will assist the understanding of information by Board members, improve the efficiency of discussions, and enhance transparency and consistency in the decision-making process.

Policies on Determining the Amount of Directors' Compensation and the Calculation Method (Compensation Policy) (As of March 28, 2025)

1) Basic Policies

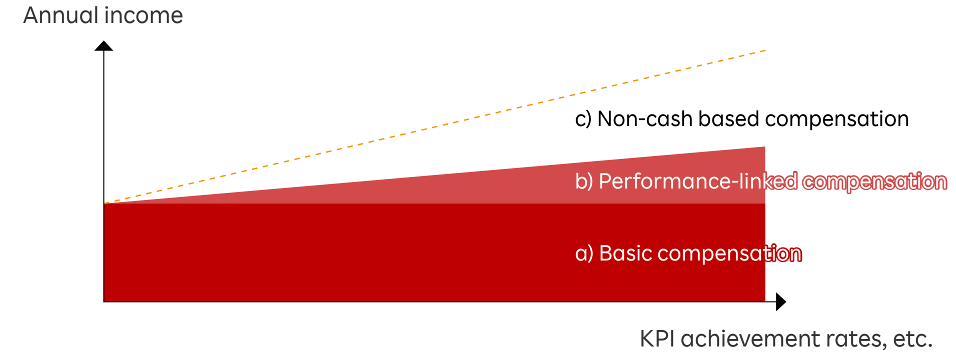
The compensation for the Company's Directors is determined based on the following basic policies.

For executive Directors, a level of compensation that is globally competitive is set to secure and maintain excellent human resources. The portion of share acquisition rights is designed to be high to promote sustainable growth of the Company by improving medium- to long-term corporate value and achieving management goals. For non-executive Directors, a level of compensation that is globally competitive is set to secure and maintain excellent human resources who will support management with global expertise.

2) Compensation Structure

	Type of Compensation	Method of Determination	Maximum Amount of Compensation per year
Executive Directors	a) Basic compensation (fixed, monthly payment)	The ratio of basic compensation, performance-linked compensation, non-cash based compensation and Special retirement compensation is set based on the role of each Director.	■ Maximum Amount of Compensation 1.9 billion yen (including 0.2 billion yen for Outside Directors) ■ Share Acquisition Rights (separate from maximum amount of compensation) To Directors (excluding Outside Directors): —Share Options exercisable while in service 15,000 —Share Options as retirement compensation 20,000 To Outside Directors: —Share Options exercisable while in service 1,000
	b) Performance-linked compensation (performance linked bonuses as short-term incentive compensation, annual payment)		
	c) Non-cash based compensation (stock-based compensation stock option as medium- to long-term incentive compensation, annual payment)		
	d) Special retirement compensation for executive officers (applicable only to directors who concurrently serve as executive officers, excluding outside directors; paid upon retirement from the position of executive officer)		
Non-Executive directors	a) Basic Compensation (fixed, monthly payment)		
	b) Non-cash based compensation (stock-based compensation stock option as medium- to long-term incentive compensation, annual payment)		

Breakdown of Compensation for Executive Directors



3) Indicators and Method of Calculation of Performance-linked Compensation and Non-cash-Based Compensation

(For Executive Directors) To increase awareness of the development and expansion of the Rakuten Ecosystem, multiple KPIs such as consolidated operating income (loss) of each fiscal year have been selected for performance-linked compensation and non-cash-based compensation. They are linked to growth and profitability. Individual evaluations are determined based on the achievement of targets for the indicator set by the managing organization of each Executive Director. The indicator includes carbon neutrality commitment, etc. The amount paid is determined based on individual evaluations and overall company performance.

(For Non-executive Directors) Performance-linked compensation is not applicable. There are no indicators for non-cash-based compensation. The Company has decided that a percentage of the total amount of compensation for each Non-executive Director shall be non-cash compensation determined based on the role of each non-executive director.

4) Compensation Determination Process

The Company's Board of Directors resolves the compensation policy for Directors after providing explanations to Independent Outside Directors and obtaining their appropriate advice. Other decision-making processes are also explained to the Independent Outside Directors at the Board of Directors as necessary, and appropriate advice is obtained.

The amount of individual compensation for Directors is determined by Hiroshi Mikitani, the Representative Director, Chairman, President & CEO, who is delegated this authority by the Board of Directors within the compensation limit determined at the general shareholders' meeting and in accordance with the compensation policy. He evaluates the business each Director is in charge of while considering the Company's overall performance and obtaining advice from Outside Directors as necessary to determine the amount of individual compensation. Thus, the Board of Directors believes that the content of individual compensation, etc. is in line with the compensation policy.

Special retirement compensation for executive officers is calculated in accordance with internal rules based on a resolution of the Board of Directors, and is paid only to those directors (excluding outside directors) who concurrently serve as executive officers of the Company and are permitted to receive such remuneration under the said rules.

Management Team (As of April 1, 2025)

Directors

Hiroshi Mikitani

Representative Director, Chairman,
President and CEO

Kentaro Hyakuno

Representative Director and
Group Executive Vice President

Kenji Hirose

Director and
Group Executive Vice President

Outside Independent

Takaharu Ando[*1][*2]

Director

Year Appointed/Positions Held or Career Summary

2022

Outside Director of AMUSE INC.
Outside Director of Zensho Holdings Co., Ltd.
Outside Director of TOBU RAILWAY CO., LTD.
Outside Director (Audit & Supervisory Committee Member) of Nisshin Seifun Group Inc.

Outside Independent

Sarah J.M. Whitley[*1][*2]

Director

Year Appointed/Positions Held or Career Summary

2019

Trustee of Foundation Scotland
Chair of Edinburgh International Festival Endowment Fund
Trustee of the Royal Scottish Academy Foundation
Trustee of the Abbotsford Trust
Chair of Scottish Episcopal Church Pension Fund

Outside Independent

Tsedal Neeley[*1][*2]

Director

Year Appointed/Positions Held or Career Summary

2022

Outside Director of The Partnership, Inc.
Naylor Fitzhugh Professor of Business Administration of Harvard Business School
Outside Director of Brown Capital Management, LLC
Senior Associate Dean for Faculty Development and Research of Harvard Business School
Faculty Chair of the Christensen for Teaching and Learning of Harvard Business School

Outside Independent

Charles B. Baxter[*1][*2]

Director

Year Appointed/Positions Held or Career Summary

2011

Rakuten Marketing LLC Manager
Rakuten USA, Inc. Chairman and Director
Reyns Holdco, Inc. Chairman
Wineshipping.com LLC Director

Outside Independent

Shigeki Habuka[*1][*2]

Director

Year Appointed/Positions Held or Career Summary

2022

Outside Independent

Takashi Mitachi[*1][*2]

Director

Year Appointed/Positions Held or Career Summary

2016

Outside Director of Lotte Holdings Co., Ltd.
Outside Director of DMG MORI CO., LTD.
Board Member of Ohara Museum of Art
Outside Director of Tokio Marine Holdings, Inc.
Chief Executive Director of Ronald McDonald House Charities Japan
Distinguished Professor of Graduate School of Management of Kyoto University
Outside Director of SUMITOMO CORPORATION

[*1] Outside Directors stipulated under the Companies Act of Japan

[*2] Independent Directors specified by the regulations of Tokyo Stock Exchange, Inc.

Management Team (As of April 1, 2025)

Audit & Supervisory Board Members

Yoshito Naganuma
Audit & Supervisory Board Member (Full-time)

Futoshi Nakamura *2*3
Audit & Supervisory Board Member (Full-time)

Maki Kataoka *2*3
Audit & Supervisory Board Member

Katsuyuki Yamaguchi *2*3
Audit & Supervisory Board Member

*2 Independent Directors specified by the regulations of Tokyo Stock Exchange, Inc.
*3 Outside Audit & Supervisory Board Members stipulated under the Companies Act of Japan

Executive Officers

Naho Kono
Group Executive Vice President
Group CMO
Managing Executive Officer and CMO of Rakuten Mobile, Inc.

Hiroshi Takasawa
Group Executive Vice President
Representative Director and President of Rakuten Insurance Holdings Co., Ltd.
Chairman of Rakuten Insurance Planning Co., Ltd.
Vice Chairman of Rakuten Life Insurance Co., Ltd.
Vice Chairman of Rakuten General Insurance Co., Ltd.

Akihito Kurozumi
Group Senior Managing Executive Officer
Group CIO & Group CTO

Amit Patel
Group Senior Managing Executive Officer
Rakuten International Business CEO

Shunsuke Yazawa
Group Senior Managing Executive Officer
Representative Director and President of Rakuten Mobile, Inc.
Group Senior Managing Executive Officer of Group Sales Division

Ting Cai
Group Senior Managing Executive Officer
Group CAIDO
Group Senior Managing Executive Officer of AI & Data Division

Sharad Sriwastawa
Group Senior Managing Executive Officer
Representative Director, Co-CEO and CTO of Rakuten Mobile, Inc.
Representative Director and President of Rakuten Symphony, Inc.

Ryo Matsumura
Group Senior Managing Executive Officer
President of Commerce & Marketing Company

Yoshiyuki Takano
Group Senior Managing Executive Officer
Senior Vice President of Commerce & Marketing Company

Masatada Kobayashi
Group Managing Executive Officer
Group CCuO

Koichi Nakamura
Group Managing Executive Officer
Rakuten Card Co., Ltd. Representative Director and President
Senior Vice President of FinTech Group Company

Adrienne Down Coulson
Group Managing Executive Officer
Rakuten International Business COO

Yusuke Kobayashi
Group Managing Executive Officer
Vice Director of Commerce & Marketing Company Technology Supervisory Department
Commerce & Marketing Company co-Company AI & Data Officer

Kuniaki Matsumura
Group Managing Executive Officer
Senior Vice President of Ad & Media Company
Senior Director of Global Ad Division

Seiichiro Sonoda
Group Managing Executive Officer
FinTech Segment Leader
President of FinTech Group Company

CMO = Chief Marketing Officer
CIO = Chief Information Officer
CTO = Chief Technology Officer
CEO = Chief Executive Officer
CAIDO = Chief AI & Data Officer
CCuO = Chief Culture Officer
COO = Chief Operating Officer

*Only primary job titles are listed

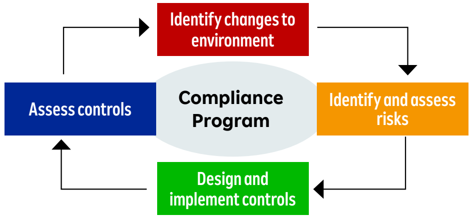
Compliance

For more details, click here.
https://global.rakuten.com/corp/sustainability/compliance/

Guided by the brand concept of "Behave Ethically: Integrity," the Rakuten Group is committed to conducting our business based on ethical practices. In the rapidly changing business environment, we are implementing programs aimed at compliance with laws, international standards, and internal regulations, and mitigating compliance risks to ensure unwavering trust from society.

Management System

To build a strong compliance system, we appointed the Group CCO*2 who reports to the Group COO*1 and oversees the compliance officers within each business unit. We implement our compliance programs using a risk-based approach to identify and address high-risk areas. These initiatives include measures to prohibit bribery and corruption, prevent money laundering and terrorist financing, ensure compliance with various laws (antitrust, competition, industry-specific), exclude anti-social forces, and provide Group-wide compliance training and monitoring. The illustrated four-step process allows us to adapt strategies and rapidly improve, addressing both common and industry-specific compliance needs.


Identify changes to environment
Identify and assess risks
Design and implement controls
Assess controls
Compliance Program

*1 Group Chief Operating Officer
*2 Group Chief Compliance Officer

Fostering a Culture of Compliance

To ensure thorough compliance, it is important for each employee to fully understand all applicable laws, regulations, and internal policies. We continuously reinforce this understanding through mandatory company-wide *Asakai* meetings and company-wide e-learning programs for all Rakuten officers and employees. Employees also regularly pledge to perform their duties with integrity. Officers and employees in senior management positions annually pledge to adhere to specific management-level compliance requirements, with a 100% completion rate.

2024 Training Topics (examples):

1 Importance of Compliance
2 Anti-Bribery and Corruption
3 Subcontract Act
4 Freelance Act
5 Export Control
6 Licenses and Permits
7 Insider Trading
8 Information Security / Privacy Protection
9 Harassment Prevention
10 Diversity, Equity, and Inclusion (DEI)

Anti-Bribery and Corruption

Regulations banning corrupt practices such as improper gifts and entertainment to public officials have become stricter worldwide in recent years. The required standards for preventing corruption are also on the rise.

Rakuten works closely with public institutions, in some cases, providing services to local governments and securing bandwidth licenses. Given these relationships, we are committed to preventing corruption and mitigating related risks through robust internal controls and transparency. Our Code of Ethics explicitly prohibits bribery, and our internal instructions for the prohibition of corruption, based on international anti-corruption laws and initiatives, prohibits all forms of corruption, both domestically and internationally, and outlines specific policies for entertainment, gifts, donations, sponsorships, and political contributions.

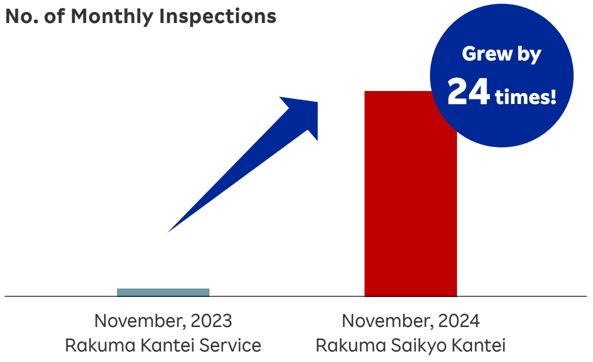
By adhering to these principles, we aim to maintain the highest level of trust in our dealings with public institutions and ensure sustainable growth.

Initiatives for Safe and Secure Services

As an e-commerce platform provider, Rakuten is committed to providing a safe and wholesome e-commerce environment for our partners and users, built on legal compliance. We actively monitor Rakuten Ichiba for inappropriate product listings and collaborate with brand owners to investigate suspected counterfeits. To combat counterfeit goods in the resale market, our flea market app, Rakuten Rakuma launched Rakuma Saikyo Kantei*3 in 2024. Users have praised the service for providing peace of mind, fast results, and being free of charge.

*3 A brand-name product inspection service provided by Rakuten in partnership with Komehyo Co., Ltd.

No. of Monthly Inspections



Information Security

For more details, click here.
https://global.rakuten.com/corp/sustainability/security/

The Rakuten Group enables users to access multiple services within the Rakuten Ecosystem with a single ID, while also earning and redeeming Rakuten Points by shopping and using other services. To provide highly convenient services that seamlessly integrate into daily life, a robust information security system is essential. We are committed to implementing comprehensive information security measures across all our products and services to ensure that our customers can use them with confidence and peace of mind.

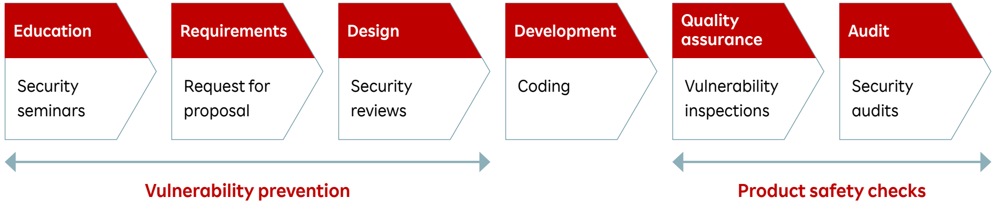
CISO Community: Supporting Rakuten's Information Security

Rakuten has established the Information Security & Privacy Committee, chaired by the Function CISO (Chief Information Security Officer), which meets monthly to review key initiatives, report on incidents that occurred during the period, and make decisions on necessary responses. The outcomes and reports from this committee are shared at the Corporate Management Meeting and further communicated to the Board of Directors. The CISO Community, which consists of Regional CISOs, Company CISOs, CISOs from Rakuten Group companies, and Security Champions who are responsible for security within each development and operations team, hosts an annual Global CISO Summit to facilitate the sharing of knowledge on information security.

Strengthening Cyber Security

Rakuten has implemented a robust security framework to prepare for potential incidents, including a Security Operations Center and a dedicated security team known as Rakuten-CERT. To ensure the development of secure services, we integrate security measures at every stage of the development process. This includes providing education for service developers, conducting security reviews, and performing vulnerability assessments as part of the software development lifecycle. We regularly evaluate security maturity through simulated attacks, using the results to improve team performance, refine strategies, and implement effective countermeasures.

Development Process

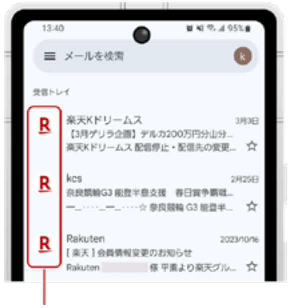


Compliance with International Standards

Rakuten's global information security framework consists of internal policies aligned with the international standard for information security management, ISO/IEC 27001. Currently, the scope of this certification has expanded to cover 49 Group companies and over 30,000 employees, making it one of the largest implementations among Japanese companies. In 2024, we further strengthened our information security framework by transitioning to the updated ISO/IEC 27001:2022 standard. Additionally, Rakuten is pro-actively promoting security standards within the payment card industry. As a member of the advisory board of the Payment Card Industry Security Standards Council (PCI SSC), we have been working to advance the adoption of the Payment Card Industry Data Security Standard (PCI DSS). We have also been transitioning to the latest version, PCI DSS Version 4.0, and by 2024, 41 of our services achieved PCI DSS compliance.

Introducing Technology for User Protection

To safeguard customers from phishing scams - fraudulent activities conducted via email - Rakuten is accelerating the adoption of DMARC (Domain-based Message Authentication, Reporting, and Conformance), a technology that verifies emails as being sent by Rakuten. This technology ensures that emails impersonating Rakuten are blocked and processed directly on the recipient's mail server, preventing them from reaching users. By the end of 2022, DMARC implementation had been achieved for over 99% of Rakuten Group's service domains, and we are continuing efforts to apply this technology to all outgoing emails. Additionally, as part of measures against suspicious emails impersonating Rakuten's services, the company has adopted BIMI (Brand Indicators for Message Identification), an authentication standard that displays a brand logo only on legitimate emails. Through BIMI, Rakuten has collaborated with email service providers to make it easier for users to identify authentic emails. As a result, the Rakuten logo is now displayed on 98% of legitimate emails, further enhancing user trust and security.



13:40
メールを検索
受信トレイ
楽天Kドリームス 3月3日
【3月ゲリラ企画】デルカ200万円分山分...
楽天Kドリームス 配信停止・配信先の変更...
kcs 2月25日
Rakuten 2023/10/16
[楽天] 会員情報変更のお知らせ
Rakuten [redacted] 様 平素より楽天グル...

Rakuten Logo Display in Gmail

Employee Education

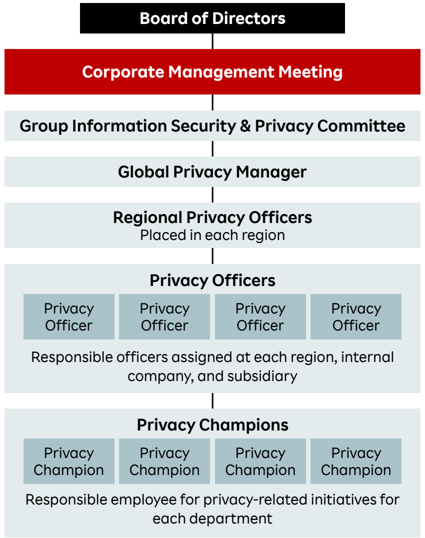
Rakuten's *Asakai*, weekly morning meetings attended by all employees, regularly includes topics related to information security. An annual information security training program is conducted for all employees as well. During this training, participants learn about the importance of information security through real-life incident examples and pledge to comply with internal policies. In 2024, all employees completed the annual information security training. Moreover, the Global CISO Summit 2024, an annual event attended by CISOs from across the Rakuten Group, served as a platform to enhance the group's overall information security capabilities. The event featured policy briefings by the Function CISO, sharing of initiatives and technical insights from Group companies, breakout sessions on key themes, and lectures by external experts.

Privacy

For more details, click here.
https://global.rakuten.com/corp/sustainability/privacy/

Privacy is not just a compliance matter; it is a fundamental aspect in sustainably building the Rakuten Ecosystem. To ensure our users can enjoy essential services such as finance and mobile communication, we need to earn their trust by clearly explaining how their data is used and by implementing strict measures to safeguard their personal information.

Management System and Policy



Board of Directors

Corporate Management Meeting

Group Information Security & Privacy Committee

Global Privacy Manager

Regional Privacy Officers
Placed in each region

Privacy Officers
Privacy Officer | Privacy Officer | Privacy Officer | Privacy Officer
Responsible officers assigned at each region, internal company, and subsidiary

Privacy Champions
Privacy Champion | Privacy Champion | Privacy Champion | Privacy Champion
Responsible employee for privacy-related initiatives for each department

Appointed to lead the Group's privacy strategy, the Global Privacy Manager works together with the Regional and Local Privacy Officers to monitor privacy compliance and risks within the Group, ensuring accountability with applicable privacy laws. Internal processes oversee personal data use, ensuring compliant and safe data handling across the Group. A review process that has been established for new data collection, sharing and use is managed by privacy specialists and other relevant internal stakeholders to ensure adherence to our privacy policy, internal rules and applicable laws.

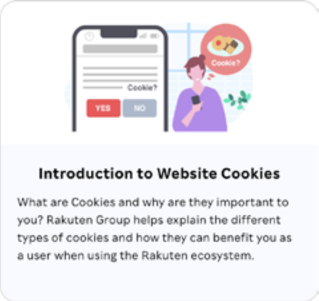
The monitoring of new laws and regulations in all countries where we have operations is handled by our Global Privacy Office, ensuring the Rakuten Group complies with the latest statutory requirements. In 2024, GPO notably collaborated with relevant departments to address Japan's revised Telecommunications Business Act, a key law protecting users of large-scale telecommunications services.

Rakuten's privacy and data protection rules, known as Binding Corporate Rules, applies to all Group companies, setting a unified standard for privacy and data protection. It is comprised of two sets of rules: one under the General Data Protection Regulation, approved by the National Data Protection Commission in Luxembourg, and another under the United Kingdom General Data Protection Regulation, approved by the Information Commissioner of the United Kingdom. Rakuten Group was the first Japanese company to obtain approval for its policies.

Communicating with Users with Transparency

On our Privacy Center webpages, we strive to keep users well-informed by clearly explaining how we handle personal data and highlighting key privacy topics. Alongside the disclosure of our BCR in different languages, we present information on data transfers to third parties and website cookie usage in an easy-to-understand format with clear language and visuals.

For more details, click here.
https://global.rakuten.com/corp/privacy/

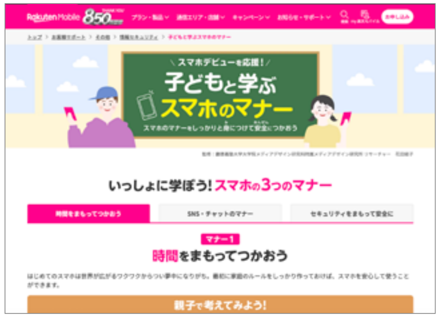

Cookie?
YES
NO
Cookie?

Introduction to Website Cookies

What are Cookies and why are they important to you? Rakuten Group helps explain the different types of cookies and how they can benefit you as a user when using the Rakuten ecosystem.

Special Content: Child Privacy Protection

With the launch of our mobile offerings for families, Rakuten recognizes the importance of addressing concerns around children's online safety. As some of the most vulnerable internet users, children face risks such as identity theft, cyberbullying and exposure to harmful content. To safeguard their personal data, our policies and practices strictly limit data collection, usage and sharing to what is necessary and appropriate. In 2024, our privacy team began visiting high schools and universities, conducting interactive workshops and seminars on topics such as the role of privacy specialists, the importance of privacy and practical data protection strategies.



トップ > お客様サポート > その他 > 情報セキュリティ > 子どもと学ぶスマホのマナー

＼スマホデビューを応援！／
子どもと学ぶ
スマホのマナー
スマホのマナーをしっかりと身につけて安全につかおう

いっしょに学ぼう！スマホの3つのマナー

時間をまもってつかおう | SNS・チャットのマナー | セキュリティをまもって安全に

マナー1
時間をまもってつかおう

はじめてのスマホは世界が広がるワクワクからつい夢中になりがち。最初に家庭のルールをしっかり作っておけば、スマホを安心して使うことができます。

親子で考えてみよう！

Content for children's online safety on Rakuten Mobile's website

Employee Training on Privacy

To ensure that all employees have a shared understanding about the importance of privacy, we have established a dedicated team for privacy training and awareness. In addition to annual Group-wide training and new hire onboarding, we organize Rakuten Privacy Awareness Day each year, aligning with the globally recognized Data Privacy Day.

Rakuten also hosts the Global Privacy Summit annually, bringing together privacy professionals from across the Group for panel discussions and workshops. In 2024, a key topic of discussion was integrating privacy protection into AI, technology and data utilization.

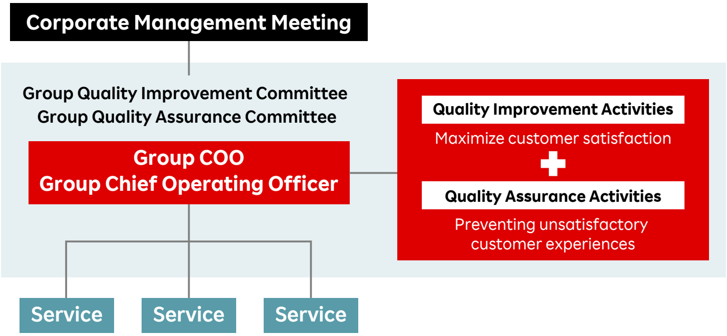
Quality Initiatives

For more details, click here.
https://global.rakuten.com/corp/sustainability/quality/

Our constant pursuit of quality is the foundation of our trust with customers. We will continue to maintain and improve the quality of our products and services to deliver joy and excitement beyond our customers' expectations.

Management System

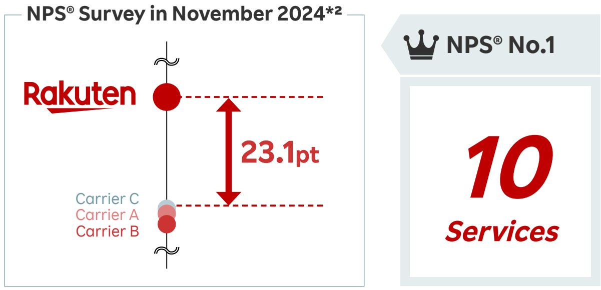
Under the leadership of our Group Chief Operating Officer, we are promoting *kaizen* activities from both "quality improvement" and "quality assurance" perspectives. Additionally, as part of our quality maintenance efforts across the Group, we have established committees and meetings for quality assurance and improvement, attended by each Group company. The Quality Improvement Committee monitors quality based on NPS® (Net Promoter Score)*[1], promotes the execution of measures through the sharing of success stories, and aims to permeate each service. On the other hand, the Quality Assurance Committee strengthens the quality standards of the entire Group by establishing, revising, and abolishing standards and guidelines, evaluating measures, and regularly discussing improvement measures.


Corporate Management Meeting
Group Quality Improvement Committee
Group Quality Assurance Committee
Group COO
Group Chief Operating Officer
Quality Improvement Activities
Maximize customer satisfaction
Quality Assurance Activities
Preventing unsatisfactory customer experiences
Service
Service
Service

Quality Improvement and Assurance Activities

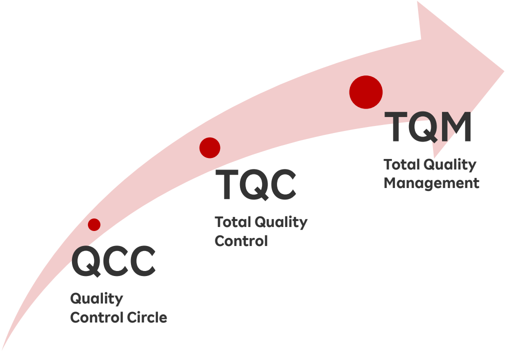
Our Group promotes quality improvement activities to evaluate and enhance customer experience by measuring and utilizing the NPS® indicator, which indicates the degree of customer loyalty to companies and services. As of the end of 2024, the NPS® of the Rakuten Ecosystem exceeded that of competing companies' ecosystems by 23.1 points, maintaining its No. 1 position in the industry. This result demonstrates that Rakuten's efforts to improve customer experience have been highly evaluated. In addition, 10 business units have achieved the No. 1 NPS® in their industry.

To ensure consistent quality across the Rakuten Ecosystem's 70+ services, we have implemented comprehensive quality assurance activities, referenced by the international ISO9001 standard. These activities foster collaboration between management and operational teams. Our cross-group quality assurance meetings, attended quarterly by the vice chairs and executive vice presidents, focus on establishing quality benchmarks and monitoring progress towards our goals. These efforts have resulted in a 1.7 point improvement in dissatisfied user experiences in Q4 2024 compared to the same period last year, according to our internal research. Supporting our culture of continuous improvement is our employee-driven QC Circle (QCC) activities. This bottom-up initiative aims to enhance quality, boost productivity, and develop our workforce. Since its inception in 2016, employee participation in QCC activities has steadily increased, reaching 95.1% by the end of 2024. Moving forward, we plan to leverage AI to further strengthen and expand QCC activities, ultimately enhancing the organizational capabilities of the entire Group.



Evolving Rakuten's Quality Activities: From QCC to TQM

Our Group has been united in its efforts to evolve its quality initiatives, aiming to improve customer satisfaction and achieve sustainable growth. In 2016, we launched employee-led, bottom-up improvement activities through cross-group QCC activities. From 2025, we will formally introduce Total Quality Management (TQM) as the final step in our quality activities. TQM is defined as a company-wide participatory quality activity that strengthens organizational capabilities. The implementation of this management framework aims to maximize customer satisfaction by systematizing policy management and process improvement, and by strengthening key elements of Rakuten's business, such as new product development, NPS® and VOC (Voice of the Customer), and AI and Big Data.



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[1] Net Promoter Score, NPS® and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

[2] Third-party "Ecosystem NPS® Survey" conducted in November 2024
(N=approx. 5,000; users who have used each ecosystem within the last 6 months, internet survey)

Section 6

DATA

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10-year Key Financial Data (IFRS)

		2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Revenue	(JPY million)	713,555	781,916	944,474	1,101,480	1,263,932	1,455,538	1,681,757	1,920,894	2,071,315	**2,279,233**
Non-GAAP operating income or loss	(JPY million)	152,153	119,615	167,010	161,130	95,129	(102,667)	(224,999)	(335,191)	(153,041)	**7,048**
Operating profit or loss	(JPY million)	94,689	78,512	149,344	170,425	72,745	(93,849)	(194,726)	(371,612)	(212,857)	**52,975**
Income (loss) before income tax	(JPY million)	94,076	74,458	138,082	165,423	(44,558)	(151,016)	(212,630)	(415,612)	(217,741)	**16,277**
Net income (loss)	(JPY million)	45,885	38,435	110,488	141,889	(33,068)	(115,838)	(135,826)	(380,244)	(329,535)	**(129,485)**
Comprehensive income (loss)	(JPY million)	52,725	20,106	100,981	124,452	(42,818)	(132,401)	(73,041)	(312,285)	(262,200)	**(53,842)**
Equity attributable to owners of the Company	(JPY million)	666,111	682,391	683,181	774,473	735,672	608,738	1,093,719	791,351	836,572	**927,868**
Total assets	(JPY million)	4,269,953	4,604,672	6,184,299	7,345,002	9,165,697	12,524,438	16,831,221	20,402,281	22,625,576	**26,514,728**
"Equity attributable to owners of the Company per share"	(JPY)	467.65	478.40	507.32	572.83	542.43	446.78	691.47	497.56	390.53	**430.67**
Basic earnings (losses) per share	(JPY)	33.50	26.96	80.03	105.43	(23.55)	(84.00)	(87.62)	(237.73)	(177.27)	**(75.61)**
Diluted earnings (losses) per share	(JPY)	33.25	26.74	79.28	104.38	(23.55)	(84.00)	(87.62)	(237.89)	(177.29)	**(75.62)**
Equity attributable to owners of the Company ratio	(%)	15.6	14.8	11.0	10.5	8.0	4.9	6.5	3.9	3.7	**3.5**
"Net income to equity attributable to owners of the Company ratio"	(%)	8.4	5.7	16.2	19.5	(4.2)	(17.0)	(15.7)	(40.4)	(41.7)	**(18.4)**
Price earnings ratio	(Times)	41.9	42.5	12.9	7.0	—	—	—	—	—	**—**
Cash flows from operating activities	(JPY million)	78,245	30,700	162,056	145,615	318,320	1,041,391	582,707	(262,068)	724,192	**1,190,882**
Cash flows from investing activities	(JPY million)	(224,078)	(26,841)	(203,718)	(67,569)	(286,290)	(303,347)	(611,830)	(948,289)	(597,416)	**(921,724)**
Cash flows from financing activities	(JPY million)	221,831	45,200	194,458	208,418	458,340	808,108	1,402,265	1,486,686	291,956	**757,469**
Cash and cash equivalents at end of the year	(JPY million)	501,029	548,269	700,881	990,242	1,478,557	3,021,306	4,410,301	4,694,360	5,127,674	**6,170,888**
Employees	(Persons)	12,981	14,134	14,845	17,214	20,053	23,841	28,261	32,079	30,830	**29,334**

[Notes]

1. Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter referred to as the "IFRS").
2. Consumption tax is not included in Revenue.
3. Average number of shares during the fiscal year is calculated on a daily basis.
4. Number of Employees does not include those serving concurrently as employees and Directors, temporary staff and part-time employees.
5. The Rakuten Group has adopted IFRS 17 from the beginning of the three months ended March 31, 2023, and reflected the cumulative effect of this accounting standard change on the date of initial transition of January 1, 2022. As a result, figures for the fiscal year ended December 31, 2022 reflect the retrospective application of IFRS 17.

ESG (Environmental, Social, Governance) Data

The following is a summary of the information provided in our ESG Data Book. For more details, including calculation methods, independence assurance, and the organizations included in the aggregation, please refer to the ESG Data Book downloadable from our ESG library.

Item			Coverage	Unit	FY2022	FY2023	FY2024
Environmental Data							
CO$_2$ emissions		Scope 1	Rakuten Group	t-CO$_2$	1,745	2,991	**3,638**
		Scope 2 (location-based)	Rakuten Group	t-CO$_2$	307,140	337,224	**385,383**
		Scope 2 (market-based)	Rakuten Group	t-CO$_2$	268,476	0	**325,382**
		Scope 3	Rakuten Group	t-CO$_2$	9,201,773	12,693,824	**11,160,952**
Energy consumption			Rakuten Group	MWh	706,332	803,189	**921,255**
Ratio of electricity derived from renewable energy			Rakuten Group, Inc.	%	11.6	100	**21**
Water withdrawal			Rakuten Group	1,000m^3	193	336	**515**
Waste generation			Rakuten Group	t	3,370	2,620	**3,101**
Social Data							
Total no. of employees			Rakuten Group	People	32,079	30,830	**29,334**
	Region	Japan		People	22,249	21,646	**20,554**
		APAC (excluding Japan)		People	6,113	5,871	**5,479**
		Americas		People	2,314	1,995	**1,967**
		EMEA		People	1,403	1,318	**1,334**
	Contract	Permanent		People	30,666	29,582	**28,217**
		Temporary		People	1,413	1,248	**1,117**
Employment rate of people with disabilities			Rakuten Group	%	2.38	2.59	**2.68**
Average age			Rakuten Group, Inc.	Years	33.7	34.4	**35.3**
Gender pay gap		All types of employees	Rakuten Group, Inc.	%	75.6	78.8	**78.8**
		Regular employees		%	82.0	82.8	**82.7**
		Non-regular employees		%	71.1	65.6	**59.9**
Total no. of employees in each of the following diversity categories			Rakuten Group, Inc.	People	10,931	11,284	**10,798**
	Age	Under 30 years old		People	4,113	4,208	**3,639**
		30 - 50 years old		People	6,474	6,657	**6,636**
		Over 50 years old		People	344	419	**523**
	Gender	Female		People	4,420	4,557	**4,393**
		Male		People	6,510	6,727	**6,404**
		Not registered		People	1	—	**1**
	Nationality	Japanese		People	8,595	8,791	**8,248**
		Non-Japanese		People	2,336	2,493	**2,550**
Total no. of managers in each of the following diversity categories			Rakuten Group, Inc.	People	2,493	2,969	**3,178**
	Gender	Female		People	750	935	**1,038**
		Male		People	1,743	2,034	**2,140**
	Nationality	Japanese		People	2,049	2,475	**2,597**
		Non-Japanese		People	444	494	**581**

Item			Coverage	Unit	FY2022	FY2023	FY2024
Total no. of employees that were entitled to parental leave			Rakuten Group, Inc.	People	477	491	**529**
Gender	Female			People	192	207	**226**
	Male			People	285	284	**303**
Total no. and percentage of employees that took parental leave			Rakuten Group, Inc.	People	320	361	**447**
Gender	Female	Total		People	200	195	**230**
		Percentage		%	104.2	94.2	**101.8**
	Male	Total		People	120	166	**217**
		Percentage		%	42.1	58.4	**69.1**
Return to work rate after parental leave							
Gender	Female		Rakuten Group, Inc.	%	97.5	95.8	**95.1**
	Male			%	97.8	98.5	**99.6**
Average annual paid vacation per employee		Days granted	Rakuten Group, Inc.	Days	16.1	15.9	**16.1**
		Days taken		Days	13	13.4	**13.3**
		Rate		%	78.7	84.2	**82.4**
Average hours of training per employee			Rakuten Group, Inc.	Hours	65.0	73.3	**42.8**
% of employees who received a regular performance and career development review			Rakuten Group, Inc.	%	100	100	**100**
Average length of service			Rakuten Group, Inc.	Years	4.7	5.1	**5.8**
Total no. of employee fatalities			Rakuten Group, Inc.	People	0	0	**0**
Lost-time occupational injury frequency rate			Rakuten Group, Inc.	n/million hours worked	0.06	0.05	**0.00**
Lost-time occupational disease frequency rate			Rakuten Group, Inc.		0.06	0.00	**0.00**
Governance Data							
Board of Directors	No. of directors			People	9	12	**9**
	No. of female directors			People	1	2	**2**
	No. of external directors			People	5	7	**6**
	No. of independent directors			People	5	7	**6**
Board of Company Auditors	No. of directors			People	4	4	**4**
	No. of external directors			People	3	3	**3**
	No. of independent directors			People	3	3	**3**

Coverage:

Rakuten Group: Rakuten Group, including Rakuten Group, Inc.

Rakuten Group, Inc.: Rakuten Group, Inc.

Awards and Recognition

Rakuten Group is dedicated to building a more sustainable world. Our initiatives have consistently earned recognition from external organizations both domestically and around the world. As a global innovation company, we will continue to set ambitious goals and embrace new challenges.

ESG Investment Indexes

MSCI Indexes

Rakuten Group, Inc. has been awarded an "AA" rating by MSCI ESG Ratings since 2023. Rakuten Group, Inc. is also a constituent of the MSCI Japan Empowering Women Index and the MSCI ESG Leaders Index.

*The inclusion of Rakuten Group, Inc. in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Rakuten Group, Inc. by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademark or service marks of MSCI or its affiliates.

FTSE Russell Indexes

Since 2019, Rakuten Group, Inc. has been included in the FTSE4Good Index Series, the FTSE Blossom Japan Index, and the FTSE Blossom Japan Sector Relative Index, which has been used as a benchmark for passive investments by the Government Pension Investment Fund (GPIF) since 2022.

Dow Jones Sustainability Indices

Since 2019, Rakuten Group, Inc. has been included in the Dow Jones Sustainability Asia Pacific Index. In 2024, Rakuten Group, Inc. was selected for the Dow Jones Sustainability World Index for the fourth time.

S&P/JPX Carbon Efficient Index

Since 2019, Rakuten Group, Inc. has been included as a constituent of the S&P/JPX Carbon Efficient Index. This index, jointly developed by the Japan Exchange Group, the Tokyo Stock Exchange, and S&P Dow Jones Indices, is based on the Tokyo Stock Price Index (TOPIX) and assigns the weight of constituent stocks based on their level of environmental information disclosure and carbon efficiency (carbon emissions per unit of revenue). Within the retail industry category of this index, Rakuten Group, Inc. has achieved the highest rating in carbon efficiency, ranking first among the deciles.

Awards and Recognition from External Organizations

CDP (Carbon Disclosure Project)

In 2024, Rakuten Group, Inc. has received an "A" rating in CDP's annual survey on Climate Change, the highest possible rating. CDP's disclosure system is widely regarded as the global standard for climate-related information, trusted by businesses and investors worldwide.

Eco-First Certification

In 2020, Rakuten was certified as an Eco-First company by the Japanese Ministry of the Environment. The Eco-First Program recognizes companies that are engaged and leading in advanced and independent industry-led environmental activities.

The Certified Health and Productivity Management Outstanding Organization

In 2024, Rakuten Group, Inc. was recognized as the Certified Health and Productivity Management Outstanding Organization for the fifth time.

PRIDE Index

Since 2015, Rakuten has received Gold Level in the PRIDE Index developed by work with Pride, an organization that promotes LGBTQ+-initiatives in Japan.

Sports Yell Company

Since 2021, Rakuten Group has been certified as a Sports Yell Company by the Japan Sports Agency, a certification that recognizes companies promoting sports activities to improve employees' health. Rakuten Group's initiatives to enhance awareness of a healthy lifestyle include stretching sessions at company-wide weekly morning meetings, online fitness programs, events that promote exercise with the help of a mobile app and online health seminars. Rakuten Group will continue to improve its employee's wellness by leveraging its cutting-edge technologies.

Corporate Information

(As of December 31, 2024)

Corporate Overview

Name	Rakuten Group, Inc.
Head Office Location	Rakuten Crimson House, 1-14-1 Tamagawa, Setagaya-ku, Tokyo, 158-0094, Japan TEL. +81-50-5581-6910
Representative	Chairman, President and CEO Hiroshi Mikitani
Founded	Feb. 7, 1997
Rakuten Ichiba Service Launched	May 1, 1997
IPO	Apr. 19, 2000
Capital	¥ 452,646 million
Employees	Non-consolidated: 9,885 Consolidated: 29,334

Stock Information

Company Name	Rakuten Group, Inc.
Stock Code	4755 (Tokyo Stock Exchange Prime Market)
Fiscal Year	January 1 to December 31
Annual General Shareholders' Meeting	March
Shareholder Record Date	December 31
Number of Shares Constituting One Trading Unit	100 Shares
Administrator of Shareholder Registry	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
Place of Share Handling Business	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan

Financial and Sustainability Information

More detailed information is disclosed at the following URL.

Investors
https://global.rakuten.com/corp/investors/

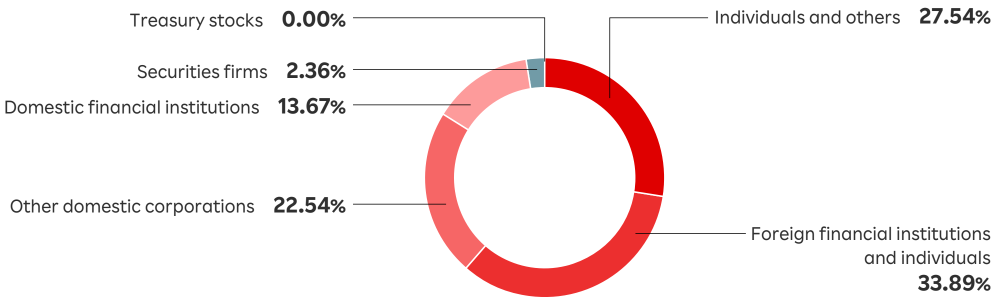
Sustainability
https://global.rakuten.com/corp/sustainability/

Major Shareholders

Name	Number of shares held (shares)	Percentage of shares held (%)
Crimson Group, LLC.	226,419,000	10.51
The Master Trust Bank of Japan, Ltd. (Trust Account)	216,664,700	10.06
Hiroshi Mikitani	176,703,400	8.20
JAPAN POST HOLDINGS Co., Ltd.	131,004,000	6.08
Haruko Mikitani	112,625,000	5.23
MSIP CLIENT SECURITIES	65,657,600	3.05
Custody Bank of Japan, Ltd. (Trust Account)	50,897,400	2.36
GOLDMAN SACHS INTERNATIONAL	49,854,442	2.31
Mikitani Kosan, Inc.	40,868,500	1.90
Spirit Inc.	40,868,500	1.90

(Note) Percentage of shares held is calculated excluding treasury stocks (4,096 shares).

Distribution of Ownership Among Shareholders



*Treasury stocks (3 units) are included in "Individuals and others."
*Additionally, there are 602,200 shares less than one unit.

Cautionary Statement

In this report, unless indicated otherwise, references to "Rakuten," "Rakuten Group," "we," "our," and "us" are to Rakuten Group, Inc. and its consolidated subsidiaries and consolidated affiliates. Statements regarding current plans, strategies, beliefs and other statements that are not historical facts of the Rakuten Group are forward-looking statements.
Such forward-looking statements are based on management's assumptions and beliefs in light of information currently available, and it should be noted that risks and unforeseen factors could cause actual results to differ significantly from those discussed in the report. We do not intend to update these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws.
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